

The NATIONAL UNDERWRITER

Life Insurance Edition

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FRIDAY, DECEMBER 16, 1938



How a yellow envelope saves an hour in time of need

EVERY morning, into the mail room of the Metropolitan Life Insurance Company, pours a flood of mail equal to that handled by the city of Fort Wayne, Indiana.

Among the tons of mail will be some 1200 to 1500 yellow envelopes. If it were necessary to open these yellow envelopes and classify their contents, at least an hour would be lost ...at a time when every hour is precious.

But there is no need to open them. The color says that *someone insured in Metropolitan has passed away...* and that someone else is left behind, faced with the extraordinary and immediate expenses that always accompany death.

So the yellow envelope takes precedence over all incoming mail. Unopened, it is hurried to the proper department, where the

claim, when verified, is immediately put through for payment.

That is one of the reasons why, in the vast majority of all death claims, Metropolitan is able to mail the insurance check on or before the second day following receipt of the claim.

Incomplete or inaccurate information accounts for nearly all cases of delay. Last year, less than one-third of 1% of the claims reached the courts. Legal defense was undertaken only when necessary to protect the interests of the other policyholders and beneficiaries.

The truth is that life insurance companies wish to pay every claim promptly. But competent management and system, as well as sound financial structure, are necessary to make that wish come true.

THIS IS THE EIGHTH in Metropolitan's new series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Collier's, December 10; Saturday Evening Post, December

10; Business Week, December 10; Time, December 12; American Weekly, December 4; This Week, December 4; Forbes, December 1; Cosmopolitan, January; Nation's Business, December.

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This is Number 8 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
1 MADISON AVENUE, NEW YORK, N. Y.



The NATIONAL UNDERWRITER

Forty-second Year—No. 50

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 16, 1938

\$3.00 Per Year, 15 Cents a Copy

Advertising Men Listen to Experts on Public Relations

Conference Held Its Midyear Meeting in New York This Week

NEW YORK—"Advertising is the sparkplug to mass distribution and production," stated Bruce Barton, U. S. congressman and the chairman of the board, Batten, Barton, Durstine & Osborne Advertising Agency, at the mid-year meeting of the Insurance Advertising Conference held here Tuesday. "The economic system of any country can survive only through expansion," he continued, "and for the last 10 years this country has been consuming its own capital."

Has Not Been Throttled

He pointed out that the insurance business would not have grown to its present size had it been formed by a group of bureaucrats and held down as business is today. The trouble with the country now, Mr. Barton stated, is that the standard of living is raised only by prodding. While a great believer in insurance himself, the speaker asked how many people would buy insurance until the actual need of it had been brought upon them if they were not stimulated by advertising and proper solicitation. This is not enough incentive for people to go ahead on their own, he said.

"There is an energy of youth waiting to go forward and there is money to be used," he added. "But there is not the proper atmosphere to encourage this progress." The expansion of economy will have to come from the initiative and ingenuity of youth looking to the future, he said. Long distance planning is needed and advertising must play a great part in this planning, Mr. Barton concluded.

Ray Dreher Presides

Ray Dreher, Boston & Old Colony, and president of the I. A. C., opened the meeting which was well attended. D. C. Gibson, Maryland Casualty, and chairman of the program committee, spoke briefly on the tremendous force of public opinion on business today and presented that subject as the theme of the conference. "Insurance has its great opportunity today for the way of thought is for security rather than riches," said Glenn Griswold, public relations counsel and former editor of "Business Week." The events of the past seven years have brought the public to the front very prominently in directing the operations of industries. The public relations problem is one that needs the immediate attention of the leaders of industry if they are to avoid legislative regulation. He advised concentration on customer research. "Sell your merchandise, your personnel and your service," the speaker

(CONTINUED ON PAGE 10)

Warns Against Wrecking Programs by Bank Loans

NEW YORK—Policyholders who borrow money from banks on their life insurance policies rather than dealing direct with the companies in the usual manner are very likely letting themselves in for much more trouble and complication than they realize, according to Isidor Hirschfeld, of the W. H. Bender agency of the National Life of Vermont in New York City. Mr. Hirschfeld who is a member of the Million Dollar Round Table is known for his untiring activity in the interests of his clients. He has gone thoroughly into the bank loan situation from the point of view of the policyholder.

While the general decline in interest rates since the onset of the depression caused a number of banks to go after policy loan business several years ago, offering more attractive rates than the usual 6 percent guaranteed in the policy, it is comparatively recently that this type of loan has been sought on an extensive scale in the New York City area. One firm of money brokers, for example, offers a 2½ percent rate where the loan is \$25,000 or more. One argument that has been used is that the saving in interest permits the purchase of term insurance to cover the amount of the loan, thereby keeping the full protection in force.

Absolute Assignment Usual

It is Mr. Hirschfeld's belief that if all policyholders contemplating borrowing from a bank on their policies were fully acquainted with all angles they would hesitate to take the step. Aside from the usual reasons against borrowing on one's life insurance by any method whatever Mr. Hirschfeld points out that the bank loan requires, in most cases, an absolute assignment of the policy or policies. This means that the bank takes over the proceeds if the loan is still unpaid after the assured's death and then pays to the widow whatever portion of the proceeds exceeds the loan.

This, of course, means wrecking any program of settlement options for a bank would, in making the loan, refuse to agree to any arrangement whereby the proceeds would be paid in other than a lump sum settlement. Even assuming it might be willing to take back the share of proceeds which the bank returns to the widow, there is grave doubt that the life company could legally accept this money to hold and pay out under the policy options.

Court Fights Loom

While most banks insist on an absolute assignment of policies, some are willing to accept a collateral assignment. Under such an assignment, the check for the proceeds would be made payable to the widow and the bank jointly, thereby bringing up the possibility that the widow would refuse to recognize the bank's interest, balk at endorsing the check and throw the whole matter before the courts.

Another angle cited by Mr. Hirschfeld is that where a beneficiary is named in the policy, the practice is frequently to change the beneficiary and make the policy payable to the estate. This, of

course, places the proceeds in jeopardy in case the estate should be in financial difficulties at the time the policyholder died. Even where the named beneficiary is continued in the policy, the banks insist on eliminating minor and contingent beneficiaries so that there will be no question of having to deal with them as parties at interest. While the practice is not general, at least one company will change the beneficiary, not for the entire amount of the policy, but to the extent of evidence of indebtedness to the assignee. However, it must be remembered that even in such cases the assignment makes the policy liable for all debts of the insured to the assignee, including business debts or any other claim the bank might have against the insured.

Outlines Typical Case

Mr. Hirschfeld outlined a hypothetical case as follows:

"Assume that an insured has \$100,000 of insurance in five companies, all of these policies having been properly arranged under the optional modes of settlement, which provide for income to the wife and children (minors) for educational funds, for emergency funds, for sums available to the children at certain ages. It includes a spendthrift clause and further provides that the children are to be the contingent beneficiaries on the death of their mother.

"Now let us assume that the entire estate of this man is limited or nil, and that the insurance is the major or total estate. The total cash value in his policies is \$15,000 or \$20,000 and he pays the insurance companies 6 percent on such loans. This man is not at all pleased with the amount of interest he has to pay. A representative of some bank calls on him and tells him he can borrow the amount of the loan at 3½ or 4 percent. All he has to do is assign his policies. Here the problem arises, because in transferring the loan from the insurance company to a private institution he becomes debtor from a credit angle. When he borrowed on his life insurance he did not have to report that loan as a debt when filling out a financial statement. Now that he is transferring his loan he signs a note and gives his life insurance as collateral, though he probably does not appreciate what he is doing, because most people either do not read or do not understand what they sign. By reason of this change he would have to report this debt on a financial statement.

Liable for Further Loans

"The insured may have borrowed other moneys from the bank for the usual business requirements, which did not require insurance protection. However, by this change, all his personal insurance has now been made subject to loans, including personal and business obligations at the bank. The method of the change is of tremendous importance. Is it to be an absolute assignment, a collateral assignment, or a change of beneficiary?

"Let us assume that he has the fol-

(CONTINUED ON PAGE 22)

Uncertainty As to Effect of Taxing Municipal Bonds

Might Boost or Depress Yield, Depending on Method Used

NEW YORK—Widespread uncertainty prevails as to just what effect the removal of the tax exemption feature—when and if it is put through—will have on municipal securities. This classification, which includes state and county bonds as well, has bulked increasingly large in life company portfolios, both in dollar volume and in percentage of total assets. Companies of the Life Presidents association currently hold approximately \$1,475,000,000 of state, county and municipal bonds, or 5.8 percent of total assets. Fraternal orders are also heavy investors in municipal bonds.

A prominent marketer of municipals recently sent out a questionnaire to a number of representative institutional municipal bond buyers, very largely insurance companies and fraternals, to get an opinion as to the probable effect of removal of the tax exemption feature. Only a few offered any definite estimate, the rest of the replies indicating that there are so many variables to be considered that no estimate could be made. The average of those replying was to the effect that the increase in yield due to absence of the tax exempt feature would be from one-half to three-quarters of 1 percent. However, these estimates are not sufficiently numerous or sufficiently representative to be in any sense conclusive.

Two Possibilities Open

Two entirely different possibilities face the holders of municipal bonds, depending on whether existing bonds would be definitely exempted from tax or whether they would be subject, at least potentially, to income tax. It is to clear up this uncertainty that there is a widespread demand to have the tax exempt feature abolished by constitutional amendment rather than by having Congress pass a law.

The reasoning back of this is that if the United States Supreme Court were to recognize Congress' power to tax future issues of municipal securities, it would thereby recognize Congress' power to tax existing issues also and Congress' not doing so would be merely a matter of grace. There would be no obstacle in the way of a future Congress making all existing bonds taxable. Recognition by the Supreme Court of the constitutionality of such an action on the part of Congress would mean the recognition of federal taxation of all municipal revenues. The amendment method, on the other hand, could be so limited as to grant the power of taxing income from future municipal issues without going beyond this aim.

(CONTINUED ON PAGE 4)

Some Observations on the Commissioners Meeting

By C. M. CARTWRIGHT

The National Association of Insurance Commissioners was able at its recent Des Moines meeting to iron out some of the differences centering largely about convention examinations. There has been considerable feeling on part of commissioners in the far west and some in the south that sufficient cooperation had not been given by New York, Massachusetts and Connecticut. The point was made that Commissioner Harrington of Massachusetts, Commissioner Blackall of Connecticut and Superintendent L. H. Pink of New York had not called convention examinations of their companies as they should. Therefore, a petition was presented to the examinations committee demanding that convention examinations of 34 companies be called and the assignments of participants be made by the chairman of the committee so that there would be comprehensive examinations. The feeling was heightened to a great extent by charges that were made back and forth, both orally and in print.

Zone System from the East

It must be remembered that the present zone system is an eastern product. It was originated by Deputy Commissioner Gough of New Jersey. It was intended to refine the convention system and to give a larger voice in examinations to those states that felt they were outside the pale. Therefore, coming from a conservative state and a conservative commissioner, state officials from a distance feel that it should have whole-hearted support. Evidently Mr. Blackall and Mr. Harrington were able to convince the commissioners that they were sincerely in favor of the system and, while there had been delay in calling examinations, there would be action in the future. Therefore, so far as Massachusetts and Connecticut were con-

cerned, the complaining commissioners were willing to give them another trial.

Inasmuch as they had, therefore, to withdraw the names of the Connecticut and Massachusetts companies, it seemed desirable to withdraw the entire petition. However, it was voted to have President F. N. Julian of Alabama appoint a special committee to deal with Superintendent Pink of New York on controversial matters that come up over examinations, the personnel being Garrison of Arkansas, chairman; Williams of Mississippi, Bowles of Virginia, Sullivan of Washington and Newbauer of Indiana, none of them "lame ducks," it will be noted.

This committee evidently is to watch the New York examination procedure and, if Superintendent Pink does not call in outside states, then Major Harrison's committee is to take the matter up with him. Furthermore, if the outside commissioners think that certain New York companies should be examined, Superintendent Pink will be approached. Evidently many of the commissioners take with a grain of salt Mr. Pink's contention that, owing to the civil service law applying to examiners, he cannot follow the convention system as other states can.

The New York department has a very efficient battery of examiners, all under civil service. They are paid well. New York does not examine companies from other states. It takes the position that every home department should be responsible for its companies, so far as examinations are concerned.

The upshot of the Des Moines meeting has been to crystallize opinion and probably clear the atmosphere considerably. There were some very sharp remarks made, some charges and counter charges, the good faith of some were impugned, but at the end the spirit was

friendly and the general feeling was that the situation had been cleared. States having competent examiners are fearful of political accountants being used by states that do not have their own regular force, and very often the usefulness of these outside examiners is questioned. Furthermore, the point is made that too much is charged for these examiners. Commissioner Pew of Iowa endeavored to have a maximum charge of \$15 a day made as a fee, with maximum sustenance of \$7.50 a day, plus railroad charges, but in view of the compromise his plan was withdrawn. His scheme required examiners to be residents of the state. He did, however, lay down certain requirements for consulting actuaries who act as examiners and who charge, naturally, a much higher price. That is one point of difference that has arisen from time to time, the allegation being made that these actuarial firms keep a salaried staff and then charge a very high price per diem, which gives the management a juicy rakeoff.

One Feature Remedied

One feature was adjusted that will be of special advantage to companies that have a scattering business in certain zones. Some commissioners complained that a zone participated in an examination where a company had a small business in its confines and it seemed unfair to put it to so great an expense. This has been cured by making it mandatory that in case of a convention examination all zones that produce an income of \$1,000,000 a year for a company shall participate. Where the income is less than \$1,000,000 there will be no participation. If a home commissioner, in asking for a convention examination, does not specify all the zones entitled to participate and attempts to limit the number, even though one may have over \$1,000,000 in annual premiums, then the chairman of the examinations committee shall make the assignment.

In case a company operates in zones that do not have \$1,000,000 in any, then the home commissioner asking for a convention examination has the privilege of requesting some state from any zone or from his own zone to participate and

Guests Present at Hoffman Duck Feast

DES MOINES—There was much interest in the duck dinner given by President A. H. Hoffman of the American Mutual Life of Des Moines during the convention of the National Association of Insurance Commissioners here. Mr. Hoffman shot all the ducks that were served at the dinner. He was chairman of the reception committee for the convention and was busy all the time in his activities. Insurance commissioners present were Robertson, Missouri; Daniel, Texas; Harrison, Arkansas; Bowles, Virginia; Ham, Wyoming; Sullivan, Washington; Palmer, Illinois; Gauss, Michigan; Read, Oklahoma; Earle, Oregon; Erickson, North Dakota; Yetka, Minnesota; Smrha, Nebraska; Dunn, South Dakota; Boney, North Carolina; Deputy F. P. Sizer of Missouri.

Governor N. G. Kraschel of Iowa was a distinguished guest. Col. C. B. Robbins, manager American Life Convention, was present as was Ray Murphy, former Iowa commissioner and now assistant general manager of the Association of Casualty & Surety Executives in New York City. John H. Evans, vice-president Ohio National Life, was a guest. Officials of the American Mutual Life sitting at the table were Secretary G. F. Wall; Actuary A. W. Larsen; Agency Vice-president J. J. Moriarty; Medical Director E. B. Mountain; Assistant General Counsel John G. Bowes. Vice-president B. Werkenthin of the American National of Galveston was a guest. Manager Gary Riggs of the Fort Des Moines Hotel was present. Clifford DePuy, publisher "Underwriters Review," and C. M. Cartwright of THE NATIONAL UNDERWRITER were also guests.

it is likely that such will be acknowledged.

President Julian of Alabama makes an admirable presiding officer, beaming all the time with his spirit of good cheer, harmony and graciouess. He is chuck full of southern stories, some of them of a rather Rabelaisian tincture, but with him reciting the anecdote the roughness is smoothed. He keeps the machinery going, is easy on his feet, has the suavity of the great south, and yet he can take a position and hold it.

Unfortunately, owing to the political exigencies, much of the work of the association is halted and even destroyed because a committee may have made considerable research and gotten a subject well developed when out go the commanding figures on the committee.

One of the criticisms that can be honestly made of the work done at these meetings is that it is necessarily hasty and haphazard. A committee meeting is called, there is probably a hearing and there are a number of points developed. The subject is a profound one. The meeting adjourns and there may be an attempt made to conduct correspondence regarding the subject among the members, which is very unsatisfactory. If anything is done or any conclusion reached, it has to be with haste. Therefore, there is not the opportunity for a thorough deliberation and study. Naturally, where a convention lasts but three days and there is much entertainment thrown in, sufficient time cannot be given to any one subject to make an exhaustive study. When the convention adjourns, the commissioners go to their own domiciles all over the country and it is too expensive to call hearings except at the annual and semi-annual meetings.

A number of commissioners attending the Des Moines meeting may be out of office before the June meeting. Some of these men are particularly useful, highly intelligent and are just reaching the zenith of their powers and knowledge of their work.

Gough of New Jersey is the war horse of the convention—the man who has more influence than anyone else, largely due to his long tenure of office, his knowledge of what has been done, his

(CONTINUED ON PAGE 9)



INFORMAL POSES AT COMMISSIONERS CONVENTION

Top row (left to right)—Sam Boynkin and his grandfather, F. N. Julian, Alabama commissioner, Mrs. B. F. Screws, daughter of Mr. Julian; A. J. Rouillard, New Hampshire commissioner; Jess G. Read, Oklahoma commissioner; C. W. Lovejoy, Maine commissioner.

Second row—H. A. Joyce, deputy commissioner Maryland; Mrs. W. S. Hanna, Mr. Hanna, Maryland commissioner; J. V. Barry, New York; G. W. Wells, Jr., secretary Northwestern National Life. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Asking Prospect to Buy Is Compliment

Edgar Kobak Warns Against Use of "Not Here to Sell You"

NEW YORK.—Compliment the prospect by asking him to buy, advised Edgar Kobak, vice-president Lord & Thomas, advertising agency, in his address before the New York City Life Underwriters Association. He warned against the use of such subterfuges as professing a desire to make an audit or analysis without any wish to make a sale.

"Even if the prospect is not able to pay for what you recommend, he is complimented to know you think he can pay for it," Mr. Kobak pointed out.

The speaker also warned against anxiety or tension as this is always contagious and is bound to react on the prospect, causing him to hurry the interview, while if the salesman relaxes, the client relaxes. He also emphasized the importance of shoe leather, conceding that while such advice is admittedly old stuff, there is no substitute for it. He warned, however, that the salesman should not delude himself by spending time on friendly accounts or semi-social visits.

Value of Written Reports

Mr. Kobak stressed the value of written reports, saying that if these are not made to one's boss, they should be made to oneself. Such an analysis of the day's work will show up weak points and throw much valuable light on the art of handling people. Among the other qualifications for good salesmanship Mr. Kobak mentioned the following:

Be a good sport or a good loser when the prospect says "no." Don't show disappointment or chagrin but leave a pleasant impression against the next call. Be yourself and tell your story in your own way. Be neat in your dress—not flashy—just neat. Like people. This is not half as hard as the effort to dislike people and it is harder to sell people if you dislike them.

Ask yourself if you have an open mind in no way prejudiced by convictions. Don't fool yourself on this point.

Avoid "Leaning"

Salesmen are natural leaners. Know your business so well that you don't have to lean or feel lost without your brief-case, chart, graphs, illustrations, or what have you. Be able to work with your bare hands or the knowledge stored away in your cranium.

Be sincere, sympathetic and a good listener. Ask questions to make people talk. Never win an argument. Put your whole heart into your work. A half-hearted job is only half done and that so poorly that it is better undone.

Why fear? The worst the prospect can do is to say "no." Look back on earlier fears and apply the remedy that worked then. Stories often help to drive home a point if you know how to tell a story. If you don't, however, it is better to tell an actual experience than to make a poor attempt at repeating and gesticulating in the manner of the original story teller.

Mr. Kobak also stressed the important qualities of imagination, enthusiasm, and industry.

Col. Button Returns to Richmond

Col. Joseph Button, head of the Stock Company Association of Washington, D. C., who was stricken while attending the meeting of the National Association of Insurance Commissioners in Des Moines and was taken to the hospital in that city, has now returned to his home city of Richmond, Va., and is in Stuart Circle Hospital there.

J. Victor Barry of New York did the needful in the emergency. He remained

PRUDENTIAL MEN ADVANCED



GEORGE H. CHACE



ROBERT M. GREEN

George H. Chace, who has been second vice-president of the Prudential, has been elected vice-president. Second Vice-president Robert M. Green also becomes a vice-president.

in Des Moines until Col. Button could leave the hospital. Then he accompanied Col. Button and a nurse as far as Chicago and saw them off to Richmond from there. Mrs. Button had been visiting a sister in Bronxville, N. Y. Mr. Barry had C. W. Hobbs of the National Council of Compensation Insurance, who had been to Des Moines but has returned east, see Mrs. Button. She went to Washington, got her car and drove to Richmond.

Col. Button is 73 years of age. For

many years he was insurance commissioner of Virginia and served as secretary of the National Association of Insurance Commissioners.

McDavid Seriously Ill

SPRINGFIELD, MO.—F. M. McDavid of this city, director of the Modern Woodmen for many years, was reported sinking fast. He has been ill for some time at Springfield hospital.

The Ancient Day

The shadow of war and threatened war in other parts of the world seems almost to isolate the American people from many nations, because here, but not among them, is peace on earth, and we know that by all men our peace will not be shared. Christmas activities are bringing the anticipatory glow of Christmas happiness, that will fill our homes and color business relationships,—happiness incomplete unless we share it with some of those who without it would spend the day of days in want and misery. Long ago General William Booth, the then head of the Salvation Army, wanted to cable a Christmas greeting to every Salvation post, but the cost staggered him. And so a single word went to the world-wide members of his Army. It was, "OTHERS"!

THE PENN MUTUAL LIFE INSURANCE COMPANY, of Philadelphia, wishes for every member of the life insurance fraternity a Christmas season whose joyous spirit shall be regnant in every heart and home, so willingly, so completely, that to none shall the ancient greeting sound an unaccepted note!

W. H. KINGSLEY, President

Three Prudential Officials Promoted

George H. Chace, R. M. Green and F. Bruce Gerhard Are Advanced

NEWARK, N. J.—Three executive elections are announced by the Prudential. George H. Chace, who has been second vice-president in charge of ordinary agencies, was elected vice-president and will also have under his direction the group insurance and advertising departments.

Second Vice-president Robert M. Green was elected vice-president and will have the direction and supervision of home office personnel work.

F. Bruce Gerhard Advanced

F. Bruce Gerhard, associate actuary, was named second vice-president and associate actuary. In addition to his present duties he will be associated with Vice-president Valentine Howell in the administration work of the actuarial department.

Vice-president Chace has been on the Prudential staff since 1905, starting as a clerk and serving through various positions, including manager, secretary to the president, an assistant secretary and second vice-president.

Vice-president Green went to the Prudential in 1932 and has successively been assistant secretary, assistant treasurer, treasurer and second vice-president.

Mr. Gerhard, who enrolled with the Prudential as an assistant actuary in 1929, was later promoted to an associate actuary.

FHA-Insured Loans Pass \$2,000,000,000

The federal housing administration has insured more than \$2,000,000,000 of loans to buy, refinance, or improve residential properties since the passage of the national housing act in June, 1934, according to Administrator Stewart McDonald. Mr. McDonald reported that the FHA now has a monthly income of about \$1,000,000, which is almost equal to operating expenses. Of the \$2,000,000,000 total, \$1,235,000,000 represents the original amounts of some 300,000 mortgages on small homes. Mortgages on 127 large scale housing projects account for about \$60,000,000.

The FHA has also insured, under temporary provisions of the national housing act about 1,775,000 property improvement loans which had an original face amount of \$710,000,000.

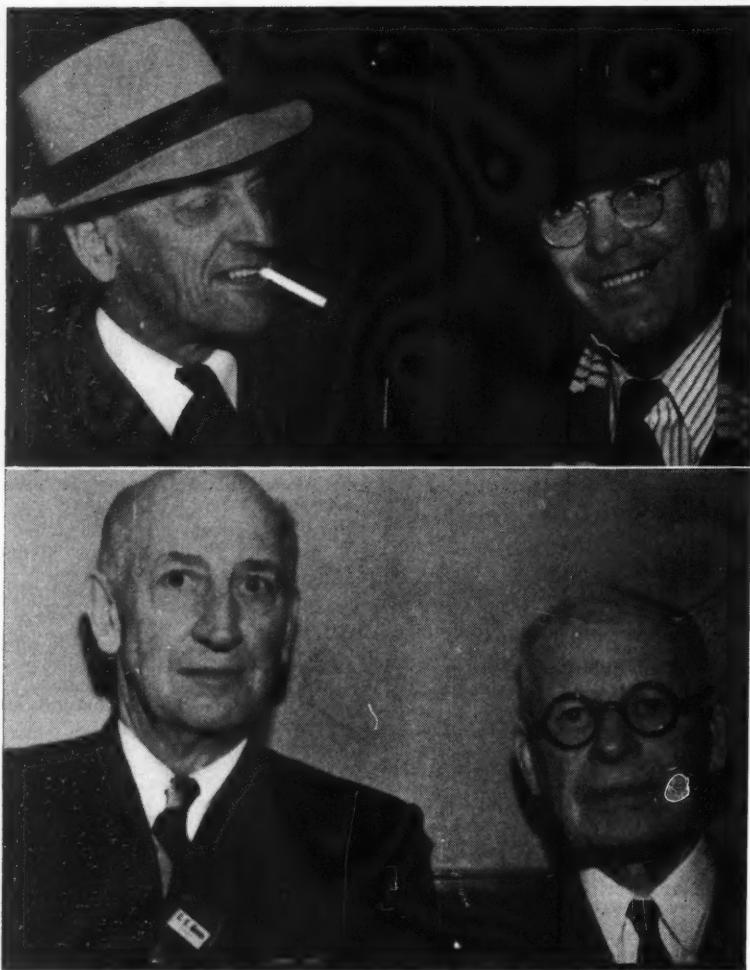
Much of the mortgage investing of life companies since the passage of the national housing act has been in FHA insured mortgages both in the residential field and among large scale housing projects.

Boost Van Houten for Iowa Job

The Davenport Association of Life Underwriters appointed a committee to advance the candidacy of A. W. Van Houten for Iowa insurance commissioner. The committee consists of Paul Otto, Connecticut Mutual, chairman; Charles Sessions, New York Life, and Karl E. Madden, Penn Mutual. The committee has already interviewed the governor-elect.

Mr. Van Houten is special agent in the Paul Otto agency in Davenport. He has been in life insurance work since 1906. He is a past president of the Davenport Life Underwriters Association and was the first president of the Iowa Life Underwriters Association.

Harry H. Wise, agent of the Massachusetts Mutual at Lorain, O., died after a severe heart attack at the age of 64. He has won the company May 1, 1914, and has been a steady producer during his 24 years experience.



SNAPPED AT COMMISSIONERS MEETING

Top row (left to right)—Hugh H. Earle, Oregon commissioner; W. H. Bakes, Idaho insurance director.

Bottom row—C. E. Gauss, Michigan commissioner; J. V. Barry, New York, Michigan commissioner 30 years ago. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Uncertainty As to Effect of Taxing

(CONTINUED FROM PAGE 1)

Which of these methods is adopted would have a considerable effect on the municipal bond holdings of life companies along with all other holders of such bonds. If it is done by passing a law and the law is held constitutional, the values of existing bond issues will be depressed because of the possibility of further action by congress to tax existing issues. This would have little effect for life companies, as they customarily hold their securities to maturity and are not much concerned about current market quotations, as long as the issuer of the bonds is meeting its obligations and will be able to pay them off at maturity.

If, on the other hand, the constitutional amendment method were used, thereby eliminating the possibility that existing issues could be taxed, municipal securities probably would have a scarcity value even in excess of what they now have. While municipal securities have some income tax advantage to an insurance company, the advantage is slight compared with the value of this feature to wealthy individuals in the higher income tax brackets. The knowledge that no more tax exempt securities would be available after the present supply had been exhausted would probably result in a decidedly higher market value for existing issues, and consequently an opportunity for life companies and other institutional holders to sell at a worthwhile profit.

While wealthy individuals find it worthwhile to pay a stiff price for mu-

nicipal securities in order to get the tax exemption, dealers say that an equal if not greater incentive to these buyers is the fact that it helps the rich conceal the full amount of their incomes. The income tax laws do not require taxpayers to reveal the amount of tax exempt income. Frequently this feature is considerably more prized than the saving in income taxes.

Administration Attitude

The Roosevelt administration appears quite determined to try the legislative, rather than the constitutional amendment method, of removing the tax exempt provision. It is believed that the government will run into more resistance than was first anticipated, because of the dangers and uncertainties involved in the use of the legislative method. It is also quite widely believed that the Supreme Court would declare the legislative method unconstitutional.

In spite of the increase in yield of one-half to three-quarters of 1 percent that some of the institutional bond buyers believed municipals would have to yield without the tax exempt feature, other estimates, mainly by investment bankers, run considerably higher, anywhere from 1½ to 2 percent.

Los Angeles Managers Elect

New officers of the Life Insurance Managers Association of Los Angeles elected are: President, G. H. Page, California-Western States Life; vice-president, A. E. Payton, New England Mutual Life; secretary-treasurer, W. J. Stoessel, National Life of Vermont; directors, Wooster Gist, Pacific Mutual; Leon A. Soper, Phoenix Mutual; Fred M. McMillan, Penn Mutual, and W. T. Shepard, Lincoln National.

N. Y. Supervisors Hosts to Managers

Annual Dinner Preceded by Panel Discussion on Problems of Recruiting

NEW YORK—The New York City Life Supervisors Association was host at its annual dinner to general agents and managers whose offices are represented in its membership. L. M. Baker, Mutual Benefit, association president, was toastmaster.

An innovation was a panel discussion in the afternoon, chairman of which was W. C. Smerling, associate general agent, Berkshire Life. It was devoted to recruiting. Mr. Smerling pointed out that the process of recruiting is one of the subdivisions of the problem of manpower in an agency and one which deserves the definite attention of the supervisor, whether his work is confined to full-time supervision, part-time supervision, or brokerage work.

"When our association was originally organized, its purpose was primarily to develop a feeling of good fellowship among a number of supervisors whose personalities, ideas, and philosophies blended, to discuss their trials and tribulations, their successes and disappointments, and to encourage among themselves the desire for reciprocity in business," Mr. Smerling said.

Must Aid Members

"Due to changing trends in our business, all of us have come to the realization that if our organization is to benefit its members, then it is incumbent upon us to foster ideas that will aid in the future success of our members.

"It is evident that as time goes on that in aiding new manpower to our forces, the new recruits will be of a different type from many now representing the institution of life insurance. One of the reasons why it has been difficult to obtain the right type,—underwriters who we feel will serve the insuring public better—is in a large measure due to the fact that this process requires a great deal of time, effort and money.

"With these thoughts in mind, we pre-

sent to you today, ideas which we hope will help to impress upon your minds, the fact that the life insurance institution is looking to us to secure that type of men—men who can be brought into the business and can be placed on a successful earning basis.

Actual Experience Stressed

"The men, who today, will present their ideas, plans and methods to you, are members of our organization—men who have had personal experience with the subject at hand, men who have encountered the obstacles and have in some measure, at least, been able to overcome them. We are frank enough to admit that we are still looking for a solution or the panacea to this problem of recruiting. We recognize that our experiences and our methods are still in the experimental stage."

The discussion was divided into two sections, one representing the larger agencies and the other the smaller offices. Lester Einstein and Ben Salinger of the Mutual Benefit, Carl Smith of the Connecticut Mutual and Eric Wilson of the Penn Mutual, represented the large agencies, that is, those having two or more supervisors. The smaller agencies were represented by Lewis Neikrug of the Continental American, Paul Orr of the Guardian Life of New York and Mr. Smerling.

To Hear Arkansas Tax Suit

LITTLE ROCK, ARK.—Suit of Arkansas against the New York Life for tax alleged due on annuity contracts written in the state between 1925 and 1937, inclusive, is scheduled to be heard this week in Pulaski chancery court. Outcome is expected to serve as guide for disposition of similar suits against 13 other companies, and to set the state's policy in regard to future collections on such contracts. The company denied the 2 percent tax on gross premium receipts was applicable to annuities. The tax was 2 percent before 1930, and has been 2½ percent since then.

Men Prove Marksmanship

NASHVILLE—A group from the Life & Casualty headed by President A. M. Burton enjoyed a successful duck hunt in Arkansas. Each member of the party obtained the limit each day.



AT THE DES MOINES COMMISSIONERS POWOW

Top row (left to right)—C. A. Gough, deputy commissioner New Jersey; B. K. Elliott, general counsel John Hancock Mutual; F. P. Samford, president Liberty National Life.

Second row—Alfred Fairbank, president Central States Life; J. W. Simpson, superintendent at large, and C. S. V. Branch, second vice-president Sun Life of Canada. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

MAY THIS CHRISTMAS BRING YOU
JOY AND HAPPINESS



THE OHIO NATIONAL LIFE INSURANCE COMPANY
CINCINNATI, OHIO

T. W. APPLEBY, President

Procedure Planned for Examinations of the Companies

Commissioner J. G. Read of Oklahoma, who is chairman of the examinations committee of the National Association of Insurance Commissioners, was asked what would be the procedure where a company had less than \$1,000,000 in the zones in which it operates. Under the new regulations if a zone does not have \$1,000,000 or over for a company under examination it will not be invited to participate. Mr. Read answers the inquiry as follows:

"Our by-laws provide for convention examination of all companies operating in three or more states. A convention examination may be conducted by two or more states. The latter would apply where companies operate in three or more states and have a small volume. In other words—suppose a company had a small volume in each of six zones. It would be proper and right for the commissioner of the domiciliary state to ask only one state of some other zone. However, should a company operate in a number of zones and have \$1,000,000 or more premium income in one or more zones which were not invited to participate in the examination by the home state commissioner then it is, in the future, mandatory upon the chairman of the examination committee to include such zone or zones as have \$1,000,000 or more premium income."

SMRHA'S RECOMMENDATION

LINCOLN, NEB.—Director Smrha returns from attendance at the Des Moines convention of state insurance commissioners highly pleased with the progress made in his proposal for amendment of the bylaws relating to examinations at the annual meeting. Mr. Smrha proposes that previous to an examination a chief examiner be named whose duty will be to lay out the work along formulated lines so designed as to reduce the amount of time consumed and also the cost of examinations. Procedure is definitely fixed so that exact results are obtained. Mr. Smrha would also like to have action taken favoring permanent tenure in office of examiners. In Nebraska it was formerly the practice, as in other states, of including these positions in the political patronage pot, but for the last 10 years the merit system, although not officially established, has been followed with excellent results.

Law Journal Changes Hands

Commerce Clearing House, the legal reporting organization, has purchased the Insurance Law Journal from L. A. Mack, president of the "Weekly Underwriter" of New York. Commerce Clearing House will coordinate the publication with its insurance law reporting service. Under Mr. Mack's ownership, it has been edited by Fred S. Knight, who is also editor of the legal department of the "Weekly Underwriter." Mr. Mack purchased the journal from Thomas A. Hine in 1923.

Twenty-five Year Celebration

The Fidelity Mutual's 25-Year Club Dec. 7 celebrated the 60th anniversary of the founding of the company in connection with its 10th annual dinner, given by President Walter LeMar Talbot at the head office. Forty members were in attendance. Four new members were added to the roll of those who have been continuously in the employ of the company for 25 years.

W. J. Greenwood, 73, for many years representative of the Mutual Benefit Life in Indianapolis, died after a short illness. In his early youth he taught school and entered the life insurance business in 1901.



AT COMMISSIONERS TALL CORN PARLEY

Top row (left to right)—A. H. Hoffman, president American Mutual Life; Mrs. Hoffman.

Second row—J. A. Beha, former New York commissioner; G. S. Van Schaick, vice-president New York Life. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Review of Texas Investment Restrictions Is Asked

DALLAS—The field of permissible investments of life insurance companies must receive serious consideration, Chairman Daniel of the Texas board of insurance commissioners warned the governor in his annual report as he called attention to the large amount of cash on hand by practically all of the Texas companies. Mr. Daniel says that insurance companies are unable to find desirable and permissible securities at a net yield of 3 to 3½ percent, and in many cases are accepting a lower rate rather than no return.

"Such action should be taken cautiously and any legislation along this line should be safeguarded" says the annual report "and the way should not be opened for speculative or unsafe investments or encouraging companies to make loans that are not based upon absolutely sound values. This problem challenges the best thought and ability of insurance executives.

"The insurance business has outgrown the present law and a new modern code is desirable. A general strengthening of our insurance laws for the purpose of giving to the public the maximum of protection to which our citizens are entitled and which they have a right to expect is urgent. This would

be beneficial to legitimate business and a protection to all policyholders," the report continued.

Judge Daniel's term expires in January and he is a candidate for reappointment in competition with a large field of aspirants. The appointment will be made by Governor-Elect O'Daniel.

Would Merge Iowa Department

DES MOINES—Reorganization of the Iowa department is again being mentioned as the Republicans prepare to take over the political offices after the first of the year.

One of the economy plans being discussed by the Republicans is merging the insurance, banking and securities departments into one bureau. The insurance and banking departments now are under the control of the governor and the securities by the secretary of state.

Insurance executives have indicated they will protest any consolidations affecting the insurance department.

Buying Power Increased

MINNEAPOLIS—Family buying power in the United States is now running \$75,000,000 a month higher than last summer. The gain is due to a drop in living costs and a sharp autumn expansion in payrolls, according to a quarterly study of price and wage relationships by Northwestern National Life.

Connecticut General Enters Texas

A. C. Prendergast & Co. of Dallas Named as Representative in State

The Connecticut General Life has entered Texas and appointed as its representative in Dallas the prominent general insurance firm of A. C. Prendergast & Co. A. C. Prendergast, head of the firm, is in charge of business development in the new life department.

The Connecticut General has been making mortgage loans in Texas for more than 15 years. About 15 percent of its mortgage loan assets are invested in Texas properties. It has farm loan offices in Dallas, Fort Worth, Houston,

Makes Several Promotions

A number of promotions and changes are announced by the Western & Southern Life. H. H. King becomes acting manager of the newly created Sandusky, O., district which formerly was detached from Cleveland West. Elyria and Lorain are included in the Sandusky district. F. C. Epplein, formerly superintendent at Sandusky, was promoted to manager at Cleveland West. E. B. Wolf, manager of Cleveland West, was appointed manager of the Norwood district to fill the vacancy created by appointment of C. F. Brawley, former manager there, to superintendent of agencies of division E.

Texas Sales Congresses

The Texas sales congresses have been announced for Houston, Jan. 31; San Antonio, Feb. 1, and Dallas, Feb. 2.

The Texas Association of Life Underwriters date of meeting has been changed to June 1-3, so that Holgar J. Johnson, national president, may attend. One day will be devoted to a study of the problems of the managers and general agents, one day to a meeting of the Texas leaders, round table, and one day to the association.

Walter C. Rhodes, state manager for the Business Men's Assurance at Madison, Wis., has been elected vice-president of the Madison Shrine Club.

NEWS OF WEEK

Widespread uncertainty as to effect of taxing municipal bonds. Page 1

* * *

Insurance Advertising Conference held its mid-year meeting this week in New York City. Page 1

* * *

Dangers seen in use of bank loans on policies. Page 1

* * *

Some observations on the meeting of the National Association of Insurance Commissioners at Des Moines. Page 2

* * *

Compliment prospect by asking him to buy, advises sales expert. Page 3

* * *

New York City supervisors hosts to their managers. Page 4

* * *

Three promotions are announced by the Prudential including George H. Chace, who is made a vice-president. Page 3

* * *

George R. Kendall, president Washington National Life, becomes chairman of the insurance division of the Illinois Chamber of Commerce. Page 19

* * *

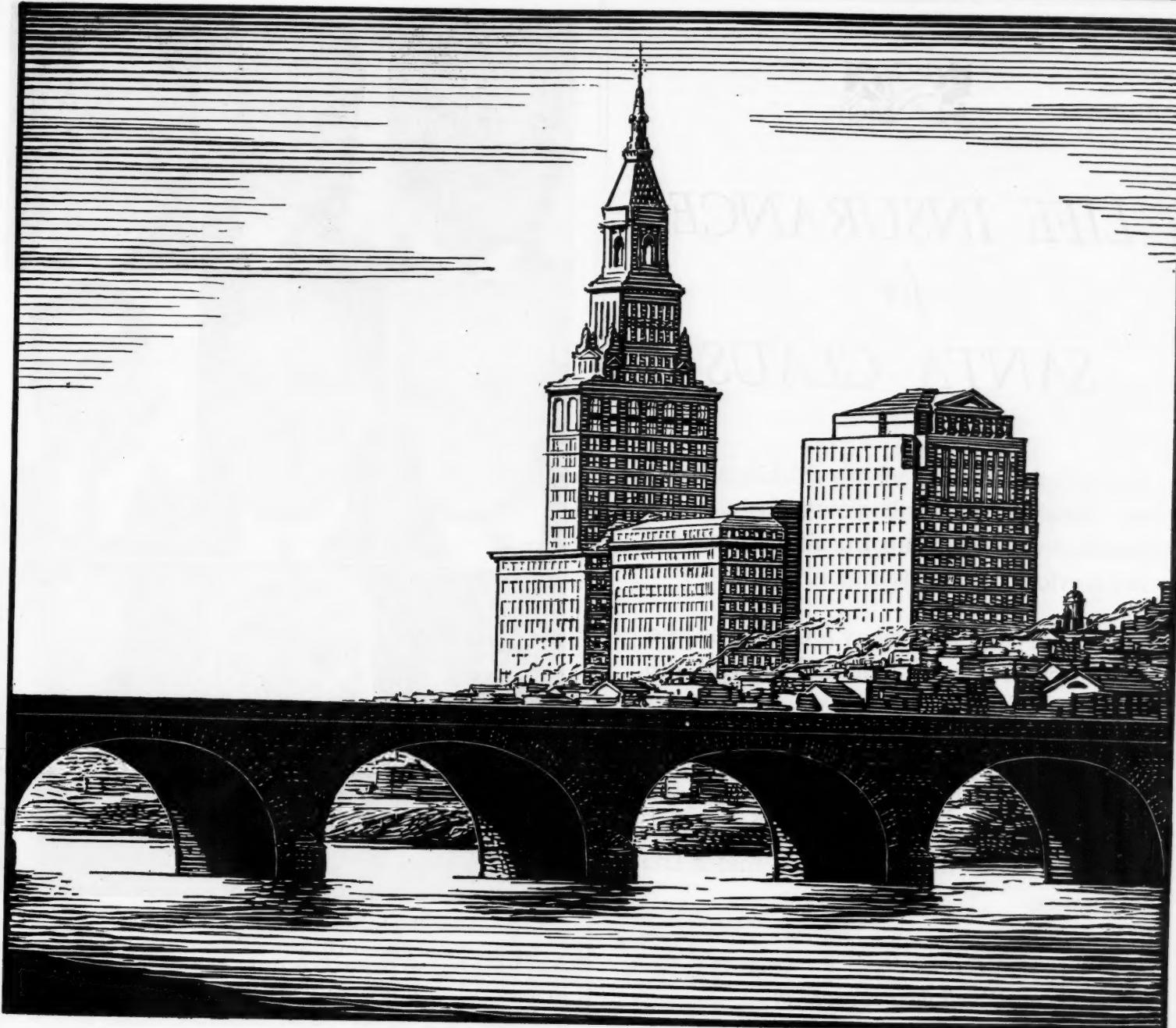
Industrial agents' union drops all charges against Prudential in Wisconsin case except refusal to bargain with union. Page 20

* * *

John A. Tory of Toronto, supervisor in western Ontario for the Sun Life of Canada, has been elected a director and resigns his present position. Page 17

* * *

Equitable of New York management decides to continue dividend scale, with some exceptions, and action expected to be approved by directors at February meeting. Page 12



A Merry Christmas TO THOSE
WHO HAVE BROUGHT HAPPINESS TO MILLIONS

You have in the course of your daily work done so much to make this a merry Christmas for millions of people.

You have banished fear of the future in many a home this Christmas.
Merry Christmas to all insurance agents and brokers everywhere.



LIFE INSURANCE for SANTA CLAUS

Beneath the mantels where stockings hang on Christmas Eve will glow many a home fire that would not be burning except for the services of Life Insurance.

The cheery lights of many a Christmas tree might otherwise be dimmed without the benefits of Life Insurance.

A plan which permits a man to project his love for his family into the future and guarantee for them the contentment and security he wants them to have - that is Life Insurance.

*To all those engaged in
the business of
Life Insurance everywhere,
we wish a
Very Merry Christmas*



The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board



C. R. CLEMENTS, President

HOME OFFICE

NASHVILLE

NATIONAL BLDG.

TENNESSEE



BEFORE CAMERA AT COMMISSIONERS RALLY

Top row (left to right)—G. H. Newbauer, Indiana commissioner; Roy B. Rumage, Arizona insurance director; G. A. Bowles, Virginia commissioner.

Second row—W. A. Robinson, actuary Ohio department; J. C. Blackall, Connecticut commissioner; J. P. Hammond, Delaware commissioner.

Third row—Jess G. Read, Oklahoma commissioner; H. J. Mortensen, Wisconsin commissioner; M. J. Harrison, Arkansas commissioner. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Veteran Detroit Manager of Sun Soon to Retire

DETROIT—Ernest W. Owen, manager Detroit branch Sun Life of Canada, well known speaker, will retire from active field work in accordance with his contract with the Sun, which calls for retirement on his 60th birthday, Jan. 19. He plans to devote much time to lecturing on life insurance and salesmanship.

For many years he has been much in demand as an inspirational speaker before managers' and underwriters' organizations and sales conventions of his own and other companies. One of his principal talks, "The Thirteen Keys to Success," is widely known.

Long active in association work, he is chairman international council National Association of Life Underwriters, served two terms as secretary and several terms as trustee. He is past president Associated Life General Agents & Managers of Detroit and also of the life underwriters association here.

He was born in Wales, lost his father at 12 and mother at 15. A wealthy uncle offered to finance his education, but he preferred to stand on his own feet and took passage to Halifax. His

first American impression was a volume on Lincoln, "From Log Cabin to White House" and he has been a student and lecturer on Lincoln for many years.

He worked on a farm, receiving \$12 in his first year in Canada, then in a lumber mill. He secured his education in Montreal, and in 1907 entered the Sun's agency department, soon transferring to the Montreal city agency. In 1909 he was sent to Alberta as provincial manager. In 1913 he was appointed Detroit branch manager. In 1912 the branch produced \$400,000; within a few years the new business ran over a million a month. Since 1920 the agency has averaged close to \$10,000,000 a year with a peak of \$18,000,000.

Schnell Agency Convention

The Frederick A. Schnell general agency of the Penn Mutual in Peoria, Ill., will hold its annual agency convention in Chicago Jan. 7. A. E. Patterson, vice-president in charge of agencies, and E. Paul Huttinger will attend from the home office, and C. B. Stumes of Stumes & Loeb, Chicago, general agents Penn Mutual, president Chicago Association of Life Underwriters, will be a guest speaker.

Some Observations on Commissioners

(CONTINUED FROM PAGE 2)

supervision over an important state, his conservative viewpoint and his experience in dealing with subjects that have come up from time to time. He is not subject to politics and thus has a continuity of experience. There are some men, like Bakes of Idaho, who, whenever they get on their feet, express themselves with lucidity, decisiveness and conviction. He is a man of culture and soon will be out of office. Another young man who is not heard to any great extent, Hammond of Delaware, but who is reliable, also on Jan. 1 retires to private life.

Goodcell Left Fine Impression

Goodcell of California, a lawyer of Los Angeles, who has been closely identified with Republican politics in his section, made a very excellent impression at his first meeting. He is an orator in the upper brackets. He did not hesitate to express himself and he did so always with considerable power and emphasis. He has the fervor and manner of a trial lawyer and the platform politician. Since he has been in office he has taken counsel with his predecessor, S. L. Carpenter, and leaders in the business and has made but few mistakes.

Harrington of Massachusetts is a man who is rapidly coming to the front in influence and knowledge of his official duties. He was an important agent in Boston and therefore had a working knowledge of the fire and casualty business from the selling standpoint. He does not believe in the state entering into the field of private activity and he wants the business itself to solve its problems if possible. He believes thoroughly in giving a hearing to those who are interested in a project. He is not impulsive and he has excellent good sense.

Another agent-commissioner who has left a good impression is Rouillard of New Hampshire, who was formerly president of the New Hampshire Association of Insurance Agents. Not as aggressive or not presenting his views to such an extent as Harrington, yet he has his feet on the ground and is taking his job seriously. There is another agent-commissioner in New England, C. Waldo Lovejoy of Maine, who was formerly secretary of the Maine Association of Insurance Agents. He, too, knows his way around, is never explosive, but is constantly increasing his stature as a public official. These three men fortunately will continue in office.

One of the old fashioned commissioners, Daniel of Texas, who is the life insurance commissioner and chairman of the board, does not hesitate to voice his opinion and he does so in a vehement style. He is regarded as not exactly streamlined. He is not in accord with many of the gadgets, tassels and adornments that have entered the supervisory field.

Palmer of Illinois, one of the brilliant commissioners, had very little to say at Des Moines. He has been, however, active in his own department and other commissioners have great respect for what he says and the conclusions he has reached. They were especially interested in the work he has done along automobile finance lines. Seemingly at Des Moines he lent a listening ear and, therefore, did not have much to say. Frequently he works behind the scenes and he is always in step with the progressive commissioners of the stalwart type. That is, he has great understanding and liking for such men as Pink, Harrington and Blackall.

Neslen of Utah

Neslen of Utah is a well dressed, all-round man who has taken an active part in the affairs of his city and in the Mormon church. He impresses everyone as being a gentleman of the finest brand. Utah has given a good account of itself in recent years. There was no better commissioner than E. A. Smith, now connected with the agency department of the Pacific Mutual Life at its

head office. He was never riding the wind nor was he in sympathy with a lot of radical steps that were taken. Mr. Neslen belongs to the same school. He is not much interested in extremists.

Earle of Oregon is a bellwether for the Western Conference of Insurance Commissioners, a man of positive convictions but thoroughly honest. He is regarded sometimes as too impulsive, but he has a certain course that he wants to follow and he walks in that direction.

There are commissioners that do not try to take the platform and are perhaps rather timid about expressing themselves, and yet in the lobby and in the hotel rooms they quietly work. Such commissioners as Garrison of Arkansas, Moor of the District of Columbia, Hanna of Maryland, Gauss of Michigan, Williams of Mississippi, Sullivan of Washington and others are politicians of the organization.

Bowen Showed Fight

Bowen of Ohio, who has given a lot of thought to real estate appraisals and standard courses along this line, showed fight when Daniel of Texas attempted to emasculate his report and end the committee's existence by claiming that the whole effort was made to provide work for members of the American Institute of Real Estate Appraisers. Bowen is usually mild spoken. At this

time he got a bit ruffled and carried the day. The Ohio superintendent very fortunately has a strong right arm in Actuary W. A. Robinson, one of the oldest men in point of tenure of office in the country, who is chairman of the blanks committee, a man of highest integrity, whose advice is sound.

Seemingly the host commissioner, Pew of Iowa, may not be in office very long. He is a Democrat and the new governor is a Republican. He and the committees of insurance officials and agents who handled the convention did a magnificent piece of work. Everything was of the highest type. There could have been no greater show of quality than was presented following the banquet. The numbers were of an exceedingly high order. Des Moines and Iowa put themselves on the map insurance-wise as they never had before. Special praise should be accorded to President Henry S. Nollen of the Equitable Life of Iowa, who was the general chairman of arrangements, and A. H. Hoffman, president American Mutual Life, who headed the reception committee.

John C. Stevenson of the Eldon D. Wilson agency of the Mutual Life of New York at Richmond, Va., led the Virginia agency and ranked 10th in paid for business in the country. He has already completed his qualification to attend the Quarter of a Million Club convention next May.

Fidelity Investment Scheme Under Attack by SEC

Life insurance men will be intensely interested in the Fidelity Investment Association case. At the instance of SEC Federal Judge Moinet in Detroit has ordered Fidelity to show cause next Monday morning why it should not be enjoined from using the mails for engaging in interstate commerce. Apparently SEC is preparing to prove that Fidelity engaged in a number of practices that might be described as "win-dow dressing."

Fidelity has employed a host of persistent salesmen and they have offered keen competition to regular life insurance propositions. Fidelity collects \$15 a month from the contract holders for 10 years, and then agrees to pay out \$20 a month for 10 years.

Lincoln National Life has a deal to pay the unpaid installments of those contract holders who die before the end of the 10 year paying in period.

Fidelity is under the jurisdiction of the West Virginia insurance department.

Charles G. Bloomingdale, Marion, O., agent Ohio State Life, has completed three years of consecutive weekly production.



Another Year of Progress . . .

Nineteen Thirty-Eight will mark another year of outstanding progress in the history of the Pilot Life.

In June and October, the largest volume of business ever written in those months was recorded; while, through November, substantial gains of insurance in force have been registered in eight of the last nine months.

To a progressive and enlarged field personnel who have made possible these 1938 records—sincere appreciation is publicly expressed.

PILOT LIFE INSURANCE CO.

Greensboro, North Carolina

Emry C. Green, President

From Coast-to-Coast

Service to Policyowners and Fieldmen, for more than a half-century, accounts for the progress of this Company from Coast to Coast.

Entering our 52nd year, we renew that pledge of faithful service, and of stewardship, awake to its responsibilities and its glowing opportunities.

Life-Accident-Health-Group

Provident plans for provident people.

PROVIDENT Life and Accident Insurance Company

Chattanooga—Since 1887—Tennessee

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA NEW YORK CITY



A MUTUAL COMPANY
ESTABLISHED 1860



Top row (left to right)—F. N. Julian, Alabama commissioner; J. S. Williams, Mississippi commissioner; W. A. Sullivan, Washington commissioner.

Second row—Eugene McGivney, vice-president Pan American Life; George Merigold, general attorney Prudential; R. L. Daniel, Texas commissioner.

Third row—O. R. Ware, assistant legislative counsel, and C. G. Klocksin, legislative counsel Northwestern Mutual; Thomas Watters, Jr., Washington, D. C., New York, and Des Moines. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Advertising Men Listen to Experts

(CONTINUED FROM PAGE 1)

urged. He pointed out that this is a problem common to all lines of insurance and one in which equal interest should be taken by all. A lively discussion followed Mr. Griswold's talk in which John Ashmead, Phoenix of Hartford, E. M. Hunt, Mutual Life of New York and Mr. Gibson participated.

Quoted from Letters

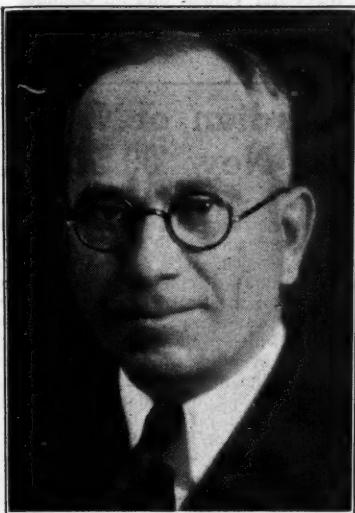
M. S. Rukeyser, economic commentator, New York "Journal-American" and International News Service, confined his talk principally to life insurance. There is a lack of public mindedness in life insurance executives, he stated and through misconception there has grown up an accumulation of negative thought toward the life insurance business. "Resell the glamour of life insurance," he urged his audience. Insurance agents carry the torch of early Americanism for what they sell gives self reliance and independence. The fact that 70 percent of the life insurance in force today is carried in this country, illustrates

the desire of the people for security for themselves and family.

Mr. Rukeyser quoted from several letters received from readers questioning him about life insurance. There is a certain trend of thought today, he said, that doubts the wisdom or use of private thrift. The life insurance business is inherently sound and useful and the public should be informed frankly and candidly regarding the operations of the companies. If the public is fully informed they will become its friends instead of its skeptics. "Redesign and repackage your produce," he counseled. Make your contract short, simple and understandable."

Dr. George H. Gallup, vice president, Young & Rubincam, and originator of the "Gallup Surveys," spoke on "What the Public Thinks." He described the work he and his associates have done in making surveys and taking polls on economic, political and social questions. The results show, he stated, that the mass of people are capable of governing themselves rather than be governed. This meeting differed from former ones in that there were no group sessions. President Dreher announced that the spring meeting of the I. A. C. would be held at the Hotel Pennsylvania here, May 16.

**Ann Arbor "Millionaire" Is
Changing Location**



CALEB R. SMITH

Caleb R. Smith, former chairman of the Million Dollar Round Table and a life member of that distinguished group, is retiring as district agent in Ann Arbor, Mich., for Massachusetts Mutual Life and will become associated with the Greensboro, N. C., general agency of his company. Mr. and Mrs. Smith have built a home in the mountains of Asheville, N. C. Mr. Smith just recently completed 25 years with his company.

Dr. John D. Finlayson, who has been located in Tulsa, with Massachusetts Mutual, is taking charge of the Ann Arbor office. He has been with the company since 1935. At one time he was president of Fairmount College and he was chancellor of the University of Tulsa. He graduated from the University of Michigan in 1911. Last year Dr. Finlayson was 17th among Massachusetts Mutual agents.

The Ann Arbor agency is connected

**Company Founder Reaches
Four Score Years**



C. W. BRANDON

Channing Webster Brandon, president emeritus of the Columbus Mutual Life, commemorated his 80th birthday anniversary Sunday and was the recipient of good wishes and congratulations of many friends in the insurance world. Agents are putting on a special December campaign in his honor. Mr. Brandon was born Dec. 11, 1858, in Marion, Ind. He founded the Columbus Mutual in 1908, after spending a number of years in the insurance business.

with the Detroit office of which George E. Lackey is general agent.

Mr. Smith has had a remarkable record in production and he has had the ability to make others understand what his methods have been and become stimulated by their recital. From 1924 until about a year ago he maintained a million dollar a year schedule. He has been given special recognition at the Massachusetts Mutual conventions each year because of his record for making 100 percent delivery of applied business.

G. C. Perkins Honored

NEWARK, N. J.—The agency and office staff of the Newark branch Mutual Life of New York, tendered a farewell dinner to their manager, G. C. Perkins, who retires Jan. 1, due to ill health. Mr. Perkins was presented a hunting and fishing equipment and Mrs. Perkins a bouquet. W. C. Baker was toastmaster and Frank Williams, agency leader, spoke. Byron Perkins, contract registrar at the home office, brother of the retiring manager, was a guest. Mr. and Mrs. Perkins plan to leave in January for Florida and during the summer months reside in Maine.

Company reports, policy facts, rates and values all covered completely in the 1939 Unique Manual-Digest, \$5. National Underwriter.



This group of Californians was snapped at the Des Moines convention of the insurance commissioners just as they got word of the favorable U. S. Supreme Court decision in the Pacific Mutual case. Left to right—S. L. Carpenter, Jr., former California commissioner; Rex B. Goodell, present commissioner, and L. J. Cooper, associate actuary Pacific Mutual Life.

"No Change . . ."

In 1939, Jefferson Standard Agents can point with pride to these vital facts

★ PREMIUM RATES "No Change"

★ DIVIDEND SCALES "No Change"

(Present scales have been in effect since 1932)

★ SETTLEMENT OPTIONS "No Change"

(Tables and interest rates)

★ INTEREST RATES "No Change"

(Present rates, 3½% guaranteed and 1½% excess interest, paid since organization in 1907)

★ SURRENDER CHARGES "No Change"

Ralph Price, Vice-President



**JEFFERSON STANDARD
LIFE INSURANCE COMPANY**

Julian Price, President

GREENSBORO, N. C.



Yes, opportunity is knocking right now, for the man who feels he has it in him to really go places with the right company backing and cooperation. We have several splendid general agency openings for the right men—and everything it takes to help you to succeed. Write John J. Moriarty, Agency Vice-President.

AMERICAN MUTUAL LIFE

A. H. Hoffman, President
DES MOINES



EDGEWATER BEACH HOTEL

On Lake Michigan

5300 BLOCK—SHERIDAN ROAD

CHICAGO

Chosen by more than 100 Insurance Organizations as their meeting place—many returning again and again . . . A true "Mecca" for the Insurance Fraternity . . . Meet your friends and associates here.

W. M. DEWEY, Managing Director.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE \$5.00 and \$2.50 respectively.

Hancock's New Juvenile Series

The John Hancock, Jan. 1, will introduce new juvenile monthly debit ordinary policies, to be issued from attained age one month to nine nearest birthday. The company also will revise its industrial forms: Life policies with premium ceasing at age 75—to be issued at ages 1-9 next birthday inclusive on the infantile form and ages 10-65 next birthday inclusive on the adult forms; second, the \$250 adult 20-payment life policy will be continued as at present, but to be issued at ages 10-55 next birthday inclusive.

In addition a new industrial policy will be issued on the 20-payment life plan with a weekly premium unit of 5 cents, to be issued at ages 1-50 next birthday inclusive.

New industrial policies will contain a provision for refund at the end of the year in event premiums are paid for a period of one year without default direct to a company office. This will amount to 10 percent and will apply to all industrial policies, new and existing.

Expect Equitable Society to Continue Dividend Scale

Equitable Society's dividend scale on ordinary policies and annuities is expected to be continued in 1939. The directors in February will consider the management's proposal to this effect, and approval it is assumed will be given.

A substantially reduced scale on single premium immediate annuities, however, is expected to be put in effect. Rates for this form were revised in July in line with experience. Continuation of the excess interest rate paid on dividends on deposit and 3 percent participating settlement options is anticipated. A factor of 0.4 percent will be added for instalment and life income settlements and certificate of deposit payable annually, and 0.25 percent on dividend deposits and certificates of deposit payable other than annually.

Policy Changes Announced

The policies of the companion companies, the Massachusetts Protective and Paul Revere, are being changed to provide for 5 percent interest on policy loans and extended insurance is being made the automatic non-forfeiture feature in place of paid-up insurance in those states which do not require the automatic paid-up feature. The unusual feature of this change is that the 5 percent policy loan interest rate will be applicable to all policies now outstanding even though there is at present a loan on the policy. In accordance with present practice, the company will bill the interest in advance but the advance rate will be 4.78 percent which is the equivalent of 5 percent if paid at the end of the year. If a policyholder has a \$100 loan he may pay \$4.76 at the beginning of the year or failing this, the company will add \$5 to his loan at the end of the year making his total indebtedness \$105.

Mutual Benefit Dividend Scale

The Mutual Benefit Life has announced that it is continuing during 1939 the dividend scale used in 1938. It is also continuing for 1939 the dividend accumulation rate of 3.5 percent and the settlement option rate of 3.75 percent for both non-withdrawable and withdrawable funds.

Guardian of N. Y. Has New '39 Scale

NEW YORK—The Guardian Life of New York has allotted \$1,938,000 for 1939 dividends. Dividends for 1938 were \$2,215,000. The decrease is due to use of a 3½ percent interest factor rather than the present one of 3¾ percent, and substitution of an expense charge which decreases with policy duration in place of the present flat charge. The new scale is equivalent to a reduction of approximately 15 percent.

The present rate of interest on proceeds held at interest will be continued: 3½ percent where there is no right of withdrawal; 3 percent where this right exists except in the case of a few old policies where the guaranteed rate is 3½ percent. The rate on dividend accumulations will be continued at 3½ percent.

The Guardian, unlike a number of other companies is not revising its policy contracts as of Jan. 1. It reduced its policy loan interest rates by endorsement to 5 percent Nov. 1. It will bring out a new contract Mar. 1. Details will be announced at the field convention at Hollywood, Fla., Jan. 10-13. It is understood that the new contract will be quite different from the typical changes that many companies have announced.

Connecticut Mutual Alters Surrender Charge Schedules

In addition to the loan interest and settlement option changes such as are being made by numerous companies at present, Connecticut Mutual is changing certain other features of its contract as of Jan. 1. The most important change involves the surrender charge and produces a new schedule of non-forfeiture values for the first 10 policy years.

The old surrender charge was \$12 per \$1,000, the second to the fourth years inclusive, decreasing \$2 per year thereafter so that the full reserve was payable upon surrender in the tenth and later years. The new schedule starts out at a \$16 surrender charge the second year, decreasing \$2 per year until it reaches \$10 at the end of the fifth year; thereafter reducing \$1 per year until it reaches \$6 at the end of the ninth year. There is no surrender charge at the end of the tenth and later years.

The name of the double indemnity clause has been changed to additional indemnity agreement and the coverage has been extended to fare-paying passengers in a licensed passenger aircraft, piloted by a licensed passenger pilot, on a scheduled passenger air service regularly offered by an incorporated carrier between specified established airports.

There is no change in the family income or family maintenance agreements since the guaranteed rate of interest remains 3 percent on such agreements.

Guaranteed rate of interest on dividend accumulations remains at 3 percent.

New Options Are Introduced by National of Vermont

National Life of Vermont is making loan interest and settlement option changes similar to other companies and the new contracts will contain as policy provisions certain privileges which have been tested as company practices during the past few years.

The right to have the cash surrender value applied under any of the settlement options after the fifth policy year will be incorporated. Two additional



VIEWS FROM COMMISSIONERS CONVENTION

Top row (left to right)—Mrs. J. M. Duke, Dallas; Mrs. J. R. Plummer, Dallas; Mrs. R. G. Waters, Austin, Tex.

Second row—P. J. Dunn, South Dakota commissioner; O. B. Hunt, Pennsylvania commissioner; O. E. Erickson, North Dakota commissioner. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

modes of settlement are added to the policy, option 4 providing for proceeds to be paid in stipulated monthly amounts until principal and interest are exhausted, and option 5 which grants the right to convert the proceeds of the policy into a life annuity at attained age based on the current rates less a discount of about $2\frac{1}{2}$ percent. Another settlement option will be made available although it will not be included in the policy unless the insured makes a specific request. This provides for a joint income with 10 years certain and life thereafter. Retirement contracts and the family maintenance plans will have new premiums because of the revised settlement option basis.

New England Mutual Adjusts Scale

The New England Mutual has voted \$9,550,000 for distribution as dividends to policyholders during the full year 1939. The dividends have been calculated by a new scale in which the interest factor is reduced to $3\frac{3}{4}$ percent, which is more consistent with the current rate of return on investments. The factor for savings in expense has been reapportioned, and while the individual dividends to be paid under the new scale will usually be less than the dividends paid in 1938, at certain ages and years of duration larger dividends will be paid. The aggregate decrease compared to the dividend distribution for 1938 is less than 6 percent. Interest at the rate of $3\frac{1}{2}$ percent will be credited on settlement options and on dividends left to accumulate.

Beneficial Life Changes

The Beneficial Life of Salt Lake has announced that the 1938 dividend schedule will be continued for 1939. Policies dated after Jan. 1, will provide for 5 percent on policy loans and interest guaranteed on all funds left with the company will be reduced from $3\frac{1}{2}$ to 3 percent.

Capitol Life Settlement Options

The Capitol Life of Denver has set Feb. 1 as the effective date for new settlement options. At that time a new rate book is expected but the extent of changes which it will include has not been announced.

It will only gather dust if the agents do not like it. The plan of procedure must appeal to the agents, offering simplicity, economy of time in preparing lists, and speed in placing the advertising in the hands of prospects. The home office must depend largely upon its general agents to promote use of the service by agents, he said.

Attorney-general Mitchell from taking any action. The hearing was to have been for the purpose of reviewing certain phases of the transfer of old assessment contracts to the legal reserve basis.

John E. Dearden Is Candidate

One of the several candidates for appointment as insurance commissioner of Pennsylvania is John E. Dearden, who is vice-president and co-publisher of the "United States Review" of Pennsylvania. He is the son of the late Robert R. Dearden, Jr., who died just recently. He is 39 years of age.



A Bulwark of Defense

As a method of building up a secure, non-fluctuating estate—a bulwark of defense against the unknowable future—the importance of life insurance can hardly be overestimated. And its ultimate aim—adequate financial security for a family—is so vital that it must surely be considered a necessity by all clear-thinking people.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Springfield, Massachusetts
Bertrand J. Perry, President

THE MANUFACTURERS

FOR more than 50 years the Manufacturers Life has adhered to the highest standards of Life Insurance practice and to a business policy that is sound and progressive.

The Company is in a strong financial position. With more than a half billion of Insurance in Force and Assets exceeding one hundred and fifty millions, its growth has been well balanced and consistent.

LIFE

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1867

EDITORIAL COMMENT

Excellent Public Relations Committee

WHEN one studies the personnel of the important committee that the ASSOCIATION OF LIFE INSURANCE PRESIDENTS has appointed to explore the field of public relations and attempt to devise plans to bring about a clearer and better public understanding of life insurance he is impressed with the wisdom that was shown in making the appointment. There is no more far reaching work before life insurance than what this committee will undertake to do. There has not been a definite course pursued heretofore and many mistakes have been made. Each company and each man has attempted to do something to promote a good feeling and a clearer conception of what life insurance is and what it is doing, but it has had no guidance.

The men who constitute the committee are particularly fitted to devise a program. The committee is headed by

FRAZER B. WILDE, president of the CONNECTICUT GENERAL LIFE, a man of high character, who certainly has a comprehensive knowledge of life insurance and who can look at the business from the public point of view. His associates are all men of eminence, those who have had experience in public affairs, have had to deal with people, who have a liking for folks and who want to see them understand life insurance as it is. They are ARTHUR F. HALL, president LINCOLN NATIONAL LIFE; W. HOWARD COX, president UNION CENTRAL LIFE; W. W. HEAD, GENERAL AMERICAN LIFE; R. D. MURPHY, vice-president and actuary EQUITABLE SOCIETY; JULIAN PRICE, president JEFFERSON STANDARD LIFE, and, C. G. TAYLOR, JR., second vice-president METROPOLITAN LIFE.

We defy anyone to improve on the personnel of this committee which is to undertake so vital work.

Let No Stars Fall on Alabama

WE REGRET to see the movement started by Governor-Elect DIXON of Alabama to place the insurance department in a bureau consisting of banking, labor and unemployment compensation. There is no more important state bureau than that which administers insurance. Its revenue exceeds all other departments except that which has to do with licensing motor vehicles. It is a department that demands as its head a man of exceptional ability, probity and fine conception of his duties. Wherever the insurance department is mixed up with something else or subordinated there is a lessened responsibility, there is much

confusion in the minds of insurance people and the public and the insurance end of the bargain is greatly weakened.

Alabama has a splendid insurance department. It should remain as it is without being coordinated with other important departments. Wherever this experiment has been tried in important states it has been found a failure. We realize in states where official activities are not so exacting or much less population it is necessary to consolidate activities. Alabama deserves to have an insurance department, standing alone and supervised by a commissioner on whom full responsibility will be placed.

Examinations—a Controversial Topic

A VERY puzzling and difficult topic for the insurance commissioners to discuss relates to examinations. Any commissioner has the right to examine a company operating in his state. That is a power given to him and when a company is licensed it immediately comes under the jurisdiction of the commissioner. In days gone by many examinations were made frequently for revenue only. The NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS through the convention system has almost eliminated that injustice inflicted on companies. Examinations are now conducted in an orderly way and raids are frowned upon. There has been much progress made in this direction.

Even at the best examinations are expensive. As GEORGE S. VAN SCHAICK,

vice-president NEW YORK LIFE and former New York insurance superintendent, pointed out in his remarkable address before the commissioners at their Des Moines convention, the home commissioner primarily should be responsible for the companies domiciled in his state. That would be the ideal way to conduct the supervisory part of the business. There is a grave responsibility resting on commissioners of states where companies of other jurisdictions are operating. A few states are equipped with an examining force that is competent. Others have an actuary and probably an examiner who could intelligently examine a company but none others. However, in most cases accountants are appointed as examiners who have not much experience. The examining of an insurance company

is entirely different from auditing books. It requires special insight, capacity and ability.

The present zone system in connection with the convention plan was inaugurated by Deputy GOUGH of New Jersey. There has been some complaint about it. It is being refined and while the expense is greater under the revised form there is greater satisfaction expressed on part of a large number of commissioners because various sections of the country now participate in examinations. Looking at the subject from a cold-blooded business standpoint, it is very doubtful whether the cost of these examinations can be justified. However, if there were no examinations we would have running wild companies of ill repute. Any insurance commissioner

will tell us that 85 percent of the companies need no supervision whatever. They would go along reputably and honestly managed whether they were examined or not. It is the 15 percent that need constant surveillance.

As Mr. VAN SCHAICK pointed out, no company objects to an intelligent, competent, fact-finding examination. If suggestions can be made by experts to the management, the work is certainly constructive.

Taking the question by and large, we would say that in spite of some unsatisfactory phases of the present system it is far more orderly than in years gone by. Perhaps as greater experience is gotten, there can still be made some improvement.

PERSONAL SIDE OF BUSINESS

The annual pre-Christmas party in Chicago of the Continental Club, which is the organization of employes of Continental Casualty and Continental Assurance, had an attendance of about 2,000. John A. Roberts, auditor and assistant secretary of Continental Assurance, served as chairman.

Stephen Ireland, vice-president and superintendent of agencies, and James H. Eteson, assistant superintendent of agencies of the State Mutual Life, are on an agency swing which will culminate in visits at agencies in Texas about the middle of the month.

Mr. Ireland will speak to agencies in New York, St. Louis, Dallas, San Antonio and Houston. Mr. Eteson, who will join Mr. Ireland in St. Louis after visiting en route at the Harrisburg, Pittsburgh and Cincinnati offices, has been invited to address a meeting of the Beaumont and Port Arthur Life Underwriters' Associations on Dec. 14, and a meeting of the Houston association the following day. He will talk on "Prospecting." He will also talk to the Houston General Agents' & Managers' Associations on Dec. 14, on "Three Problems with the Same Answer—Quality."

December has been designated as "Reid Webb Month" in the San Antonio agency of the Jefferson Standard Life honoring Reid W. Webb of Del Rio who has been with the agency 15 years. O. P. Schnabel, manager, will place 10 cents in a pot for every \$1,000 of business produced during the month and the money will be used to buy a gift for Mr. Webb.

J. C. Harvey, vice-president and actuary St. Louis Mutual Life died at St. Luke's hospital, St. Louis, at the age of 70 from a heart attack. Services were held this week at Kirkwood, Mo., many officials of companies attending, including representatives of the American Life Convention, of which his company is a member. He was born in Lincoln, Neb., son of the late Augustus Ford Harvey, distinguished actuary. He received an LL.B. degree from Washington University in 1898, forming a partnership with his father, as consulting actuary, and so continuing until 1904, except for a

period as vice-president National Life U. S. A. For seven years he was assistant secretary Covenant Mutual Life, St. Louis, leaving in 1897 to pursue special studies at the University of Virginia. Later he was general manager St. Louis Mutual before being elected vice-president in 1931. He was a fellow of the American Institute of Actuaries.

Frazer B. Wilde, president of the Connecticut General, has resigned as chairman of the board of finance of the Town of West Hartford, a post he has held for 10 years. His term was not to expire until 1941. Townspeople are sorry to see Mr. Wilde leave, for he has done a remarkable job in governing the town's monetary affairs.

Frank F. Garrett, 71, died at Quincy, Ill., after more than 40 years with the Bankers Life of Iowa. He was manager at LaBelle, Mo., and at Quincy. He retired from active business life in 1933.

Des Moines life insurance men are taking an active part in civic clubs. The junior chamber of commerce has named M. A. McBride, Bankers Life, president; Bert Merrill, Jr., Massachusetts Mutual Life, executive vice-president, and Harris Coggeshall, Des Moines insurance attorney, vice-president. Horace W. Foskett, assistant vice-president of Equitable Life of Iowa, is the president of the senior chamber of commerce for 1939.

James M. Caldwell of Wichita, Kan., who becomes assistant general agent of the Aetna Life's Denver office Jan. 1, is spending the week in Denver getting acquainted. He will spend the remainder of December in the Dulaney, Johnston & Priest agency, Wichita, where he has been life department manager since it was opened in 1930 representing the Aetna Life. He is past president Wichita Life Underwriters Association and a member of the board.

Arthur F. Hall, president of Lincoln National Life, is being honored by the citizens of Fort Wayne, Ind., at a dinner, Jan. 10, because of his record of community service. He was vice-chairman of the 1938 community chest cam-

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paign. He conducted the first campaign that raised funds for Fort Wayne charities. He assumed leadership in promoting the Greater Fort Wayne Development Corporation and in other ways has been a leading citizen in his community.

Robert A. Halley, 52, assistant actuary for the National Life & Accident, died in Nashville, Tenn. Mr. Halley had been with the National Life since 1906.

C. C. Day, general agent Pacific Mutual in Oklahoma, and president Oklahoma City better business bureau, was appointed to the national advisory council of the Business-Consumer Relations Conference, to be held in Buffalo, June 5-6.

"Randall month" is being observed during December by agents of the Minnesota Mutual Life in the annual campaign in honor of **E. W. Randall**, chairman, who Dec. 1 rounded out 30 years with the company and Jan. 1 will attain his 80th birthday.

Paul B. Sommers, president of the American Fire of Newark, and an outstanding figure in the fire insurance field, has been elected a director of the Mutual Benefit Life. He is president of the National Board of Fire Underwriters.

A. W. Theiss, publicity manager of Ohio National Life, was elected a director of the Direct Mail Advertisers Association at a meeting of the association in New York.

F. W. Henson, who has been connected with the A. F. Gillis agency of the Provident Mutual in Newark for 12 years, in November led all its agents in the country in paid business. Mr. Henson has qualified for eight conventions and led his agency ten years. He started in the business in 1916 with the Penn Mutual at Elyria, O., after Y. M. C. A. service during the war going with the Gillis agency.

Herman C. Hintz Peter, Chicago manager of the Mutual Life of New York, is recovering from a major operation. He is now convalescing in his home.

Mrs. N. J. Frey, wife of the president of the Wisconsin Life, has been elected president of the revolving loan fund for crippled children, Madison, Wis. The organization is composed of prominent local women active in civic, social and welfare work.

The bodies of **N. P. Beck**, manager Metropolitan, Wausau, Wis., and three business men, companions in a fishing party tragedy on Island Lake, Vilas County, Wis., in November have not been found. One of the greatest mass hunts in the history of the Wisconsin north woods, with more than 200 searchers taking part, has been called off. There is a possibility the hunt will be resumed after the spring thaw. Mr. Beck was president Wausau Association

New Chairman



GEORGE R. KENDALL

President George R. Kendall of the Washington National with executive office in Evanston, Ill., becomes chairman of the insurance division of the Illinois chamber of commerce. He served as chairman of the executive committee during the year.

of Life Underwriters, director Wisconsin state association and recently was appointed general chairman in charge of the annual convention and sales congress of the Wisconsin association at Wausau next June.

H. R. Pierce, secretary of the National Life of Vermont has been elected to the board of directors of the American Fidelity of Montpelier, Vt. He succeeds the late Ralph Denny who was president of the Union Mutual Fire of Montpelier.

Walter H. Boireau, Boston general agent of the Berkshire Life, was given a dinner marking his sixth anniversary.

Wheeler Talks on Estate Plans

MINNEAPOLIS—Members of the Twin City Home Office Life Club were questioned by Walter Wheeler, Northwestern National Life legal staff, as to provisions they have made for their families. The round table occurred at the monthly meeting. Mr. Wheeler discussed state problems with particular attention to life insurance. Alan Kennedy, publicity department Northwestern National Life, reported on the recent Life Advertisers Association meeting.

ILLINOIS General Agency Opportunity

A prominent Canadian Life Insurance Company with world-wide agencies is desirous of securing applications for general agency appointments from successful life insurance salesmen who have the ambition and energy to establish general agencies of their own in the State of Illinois. Letters addressed to Box J-25, care of The National Underwriter, will be treated in strict confidence.

The FAMILY-NEEDS FORECAST...

developed by the Union Central Life and dramatically advertised to millions of fathers:

- Enables the underwriter to make a truly professional diagnosis.
- Encourages an intimate and exclusive relationship between client and underwriter.
- Paves the way to larger unit sales, by making the purposes of insurance clear...dramatic...vital.
- Leads to higher income prospects...to business that stays on the books!

The
UNION CENTRAL
LIFE Insurance Company, CINCINNATI, OHIO



COMMONWEALTH
*LIFE'S plan of
Cordial co-operation*
FROM THE HOME OFFICE
HELPS TO BUILD BIGGER
INCOMES



SALESMEN ARE COMING WITH COMMONWEALTH

because its aggressive,
agency-minded sales help
plan is enabling agents to
consistently write more in-
surance.

If restrictive regulations or
policy limitations are block-
ing your way to a bigger in-
come, get the full facts about
the new opportunity which
awaits you by writing to

WALTER S. SCHNEITER
Secretary of Agencies

Commonwealth
Life
INSURANCE COMPANY
HOME OFFICE
LOUISVILLE - KENTUCKY

NEWS OF THE COMPANIES

Great Lakes Life of Ohio Now Becomes Operative

CLEVELAND — Following approval of the Ohio department, Pure Protection Life Association of Cleveland has been changed to a mutual legal reserve company under the name of Great Lakes Life. The new company became operative Dec. 12, following a meeting of directors Dec. 8 when final details were considered. At that time R. M. Sandrock was added to the official staff as assistant treasurer. All other officers and directors of the old company were retained. At the same meeting, a 10 percent increase in the dividend scale was approved to become effective Jan. 1.

The Pure Protection Life was organized under the assessment laws of Ohio and began business in 1913.

The laws under which the association was incorporated provided for the issuance of assessment insurance, but the association in its policies pledged itself to maintain full legal reserve. Although the first few policies issued did contain a clause permitting the scaling of claims in the event that premiums were not sufficient, its policies have not been of the true assessment type.

Since 1930 the reserves have been based on 3½ percent, except the select whole life policy which is on a 3 percent basis.

On Oct. 17, a letter was sent to members proposing that the articles and by-laws be amended to qualify under the old line legal reserve statutes.

On Nov. 17, the policyholders at a special meeting, approved the plan. It was approved by the superintendent of insurance. Pure Protection Life was the last of the mutual protective associations in Ohio.

Present policyholders will have the option either to continue their contracts without change, or to convert into one of the new forms of contracts to be issued. The decision must be made within six months.

The company expects to bring out a new series of juvenile and adult policies immediately.

Officers of Great Lakes Life are: Cyril J. Bath, president and treasurer; E. J. Hull, vice-president; Frank T. Humiston, Jr., secretary; Robert M. Sandrock, assistant treasurer; Harold A. Reise of Chicago, consulting actuary; McKeahan, Merrick, Arter & Stewart, legal counsel; and Dr. S. A. Cleaveland, medical director.

Mr. Bath was born in London, England, in 1889 and came to this country in 1906. He settled in Cleveland and founded Cyril J. Bath & Co., machinery merchants, of which he is president today. This business led to the formation of the Steelweld Machinery Company of which he is also president. He became affiliated with Pure Protection Life as a trustee and executive vice-president in 1933. He was elected president and treasurer in 1936.

As of Aug. 31, 1938, Pure Protection reported assets \$1,031,628; policy reserves, contingency reserve \$10,000, net surplus \$52,909.

Great West Life Is Examined

Assets of Great-West Life of Winnipeg as of Dec. 31, 1937 amounted to \$156,686,688, according to a report of a convention examination conducted by Michigan assisted by North Dakota and Washington. Total income for 1937 was \$27,015,770 and disbursements \$20,077,178. Policy reserves were \$123,934,500, paid up capital \$1,000,000 and net surplus \$2,248,884. Contingency reserve was \$2,577,216.

Recommendation was made that 2 percent be written off book value annually of the home office property exclusive of land value. The company's valuations on real estate owned were called "very conservative." Reference was made to the difficulty encountered by Great-West Life on account of the moratorium laws in the

western provinces. These laws make the institution of foreclosure procedure difficult.

Aetna Life Companies Pay Extra

Extra dividends together with the regular quarterly, have been declared by Aetna Life, Aetna Casualty and Automobile of Hartford. The extra of Aetna Life is 15 cents and its regular quarterly, 30 cents, both payable Jan. 2, to stock of record Dec. 10; the Aetna Casualty special is \$1, and its regular quarterly 75 cents, both payable Jan. 2 to stock recorded Dec. 10, while the extra of Automobile is 40 cents and its quarterly 25 cents.

Century Life Soon to Start

The Century Life of Fort Worth, Tex., will begin writing all lines of life business about Jan. 1. This company, old line legal reserve with capital stock \$250,000 and surplus of like amount, was organized by W. J. Laidlaw and associates. Mr. Laidlaw is head of the Educators Mutual Life, which recently moved from Dallas to Fort Worth and writes only educators. It is understood Laidlaw also will head the Century Life.

Grogan's Company Now Licensed

Provident American Life, which has been in process of formation for some time at the hands of George L. Grogan, has now been chartered and licensed in Texas. Mr. Grogan was formerly agency director of the old Bank Savings Life of Topeka and then vice-president and agency director of Federal Reserve Life. Provident American with Fort Worth headquarters, has authorized capital of \$100,000, paid in \$27,500. Net surplus is \$16,500. Mr. Grogan is general manager. The president is A. B. Connell of

Fort Worth; vice-president, Harry Walton, a fire insurance man; vice-president and treasurer, R. J. Newton; secretary, J. A. Frye; medical director, Dr. Robert Barker; general counsel, Robert Sansom.

Insurance Session Planned at Nebraska Bar Meeting

LINCOLN, NEB.—The Nebraska state bar association created an insurance section and set aside at its convention here Jan. 29 a half day for discussion of pertinent insurance topics. On the program are: "Use of the federal declaratory judgment act by persons in insurance cases," W. I. Aitken, Lincoln; "Res ipsa loquitur doctrine as applied to negligence cases in Nebraska," J. L. Cleary, Grand Island; "Net value of life insurance under non-foreclosure statutes," E. R. Morrison, Kansas City, and "What accidents are covered by automobile policies," John A. Appleman, Chicago.

The section will be presided over by G. L. DeLacy of Kennedy, Holland, DeLacy & Svoboda, Omaha, which handles a large volume of insurance litigation.

Hansmann Board Chairman

W. H. Hansmann, immediate past president, was elected to the newly created position of board chairman at a directors meeting of the Illinois Insurance Federation held in Chicago this week. Plans were discussed for the annual meeting to be held some time in February. Directors paid tribute to Isaac Miller Hamilton, president Federal Life and one of the federation founders, who responded graciously. Members of the Illinois advisory council were guests.

Howard C. Lawrence, general agent in northern New Jersey for the Lincoln National Life, ranked second in personal production in November. His agency ranked third.

COUNTRY LIFE INSURANCE CO.

Better than a million gain
per month.

\$120,000,000 in force in
115 months.

Home Office: 608 South Dearborn St.
Chicago, Illinois

AMONG COMPANY MEN

John Tory Director of the Sun Life

MONTREAL, CAN.—John A. Tory of Toronto has been elected a director of the Sun Life of Canada. He has been associated with the Sun Life for 45 years in many important executive positions, and recently as supervisor for



JOHN A. TORY

western Ontario, the largest life agency in the British Empire, a position which he now resigns. A Nova Scotian by birth, at the age of 18 Mr. Tory entered a business at Antigonish in his native Province, becoming its manager five years afterwards. A career in the field of life insurance followed this early success. He joined the Sun Life as a part-time representative and soon displayed unusual talents for the profession. He then became an inspector and later manager in the West Indies and part of South America. Management of the Michigan office was the next step forward.

Active in Community Life

Moving to Toronto in 1908 Mr. Tory was soon an active participant in various movements for the public weal. He has been president of the Y.M.C.A.; a director of the soldiers' rehabilitation committee; president Toronto Board of Trade, and the Maritimes Association, and is still actively interested in these organizations, as well as other enterprises of a social or religious nature.

Lincoln Is Named President of Cooperative Life

Murray D. Lincoln, who has been vice-president and director of the Cooperative Life of Columbus since it became an affiliate of the Ohio Farm Bureau, has been made president, succeeding the late Judge C. S. Younger, former Ohio insurance superintendent.

Harry West, Leesburg, O., was elected vice-president and a member of the executive committee. R. N. Benjamin, Harrisburg, Pa., president Pennsylvania Farm Bureau Federation, was chosen a director, taking the place made vacant by Judge Younger's death.

L. A. Taylor, Columbus, is secretary-treasurer and J. E. Keltner, Columbus, assistant secretary-treasurer.

Joins Mutual Benefit

NEWARK, N. J.—J. F. Whinery, young Grand Rapids physician, has joined the medical board of the Mutual Benefit Life as assistant medical director. His first introduction to insur-

ance medicine was as examiner, in which capacity he attracted the attention of the Mutual Benefit's medical board. In private practice during the past eight years he has limited himself to internal medicine, specializing in cardiology, a special qualification for insurance medicine in view of the increasing importance of heart disease in underwriting. He did postgraduate work in heart disease in London and Vienna during 1934 and 1935.

W. A. Somerby to Retire

William A. Somerby, manager of the eastern division at the home office of the John Hancock Mutual Life, has retired after 49 years service and has been succeeded by Thomas F. Manning, formerly assistant division manager of the North Atlantic territory.

Liggett to Southland's Home Office

D. G. Liggett, for many years district manager for the Southland Life at Fort Worth, has been called to the home office as special representative of the agency department.

SALES MEETS

Agents Meet in Pittsburgh

PITTSBURGH—A conference for all agents of the Standard Life will be held here Dec. 30. Paul Speicher, Research & Review, will be principal speaker. Talks also will be given by J. C. Hill, president; J. D. Van Scoten, vice-president and director of agencies, and Dr. W. F. Donaldson, medical director.

Mutual Life in Gathering

GRAND RAPIDS.—Representatives from 39 western and southern Michigan counties attended a district meeting here of the Mutual Life of New York. C. E. Brown, manager, was in charge. The main speaker was G. A. Sattem, superintendent of agencies.

Hold Round Table in Michigan

GRAND RAPIDS.—Annual round table of the Aetna Life general agency here was held with S. T. Whatley, vice-president, heading a group of home office and Detroit office executives attending. Mr. Whatley opened the meeting. Among speakers were Herbert Henry, Lansing; Mal Stark, St. Joseph; Robert Wilkinson, George Moritz, and Don Lowing, Grand Rapids, and George Strassel, Hartford. A sales demonstration skit was put on by Robert Reagan and Henry Jones of Grand Rapids.

Gottschall Addresses Agency

MINNEAPOLIS—Walter Gottschall, agency director central division Equitable Society, addressed a conference of district managers and field assistants of the Andrew Shea agency here.

Ohio State Meets Jan. 30-31

The annual agency convention of the Ohio State Life will be held in Columbus Jan. 30-31.

Mammell Addresses Women

Clayton Mammell, home office general agent Farmers & Bankers Life, was guest speaker at a meeting of the Insurance Women of Wichita, discussing life insurance and why it is needed.

L. O. M. A. Proceedings

The Life Office Management Association, 110 East 42nd street, New York City, is now sending the printed proceedings of the 1938 annual conference held in Montreal to members. The book contains 350 pages containing the addresses on various phases of office management.

Perfect Protection

MEANS MORE "PAY DIRT" IN THE PROSPECTOR'S PLAN . . .

The insuring public appreciates the fact that the Perfect Protection Policy—originated by Reliance Life—combines life with disability protection . . . gives help at times when financial aid is most needed—in sickness—in accident—in old age—and at death.

"Give me a Perfect Protection Policy claim to settle, and I will come back with two new policyholders," is a statement typical of reports by Reliance agents everywhere.

Reliance Life meets every buyer's preference by issuing Participating, Non-Participating, Juvenile, Retirement Income, Annuities, Sub-Standard, Accident, Health, Mortgage Redemption, and Insurance for Women.

These contracts are available to you as surplus lines.

RELIANCE LIFE

INSURANCE COMPANY OF PITTSBURGH

MORE THAN \$465,000,000 OF LIFE INSURANCE IN FORCE

Opportunity

Is Greater with a Growing, Progressive Company

Ask About the Advantages of Oslico Service

•

Write

THE OHIO STATE LIFE INSURANCE COMPANY

COLUMBUS, OHIO

A typical experience record which illustrates how the "Golden Rule Contract" boosts an agent's earnings in a given territory.



A NEW OUTLOOK

In his home territory—a county of 40,000—this man saw a new opportunity for greater income. Last year he earned future renewals on \$325,000 of business produced by men he appointed under a contract like his own and received a cash bonus of \$775 on their efforts. This was in addition to first year commissions and fifteen vested renewals on his own substantial personal production. And it was all because he saw the possibilities the "Golden Rule Contract" affords all agents.

*The COLUMBUS Mutual Life
INSURANCE COMPANY,
Columbus, Ohio*

"CALEMETER" DIRECT-MAIL ADVERTISING

*Simplifies Prospecting...
Secures More Interviews!*



This attention-arresting direct-mail folder pictures, not Life Insurance, but PROTECTION, RETIREMENT, EDUCATION, TRAVEL, MEDICAL CARE, FREEDOM FROM DEBT—all the ambitions every man holds for himself and his family. It breaks down the cost of any and all these things to SMALL CHANGE... to be deposited daily in "CALEMETER" . . . the modern calendar coin bank!

"CALEMETER" is the finest "Sales-Closer" ever to be placed in an insurance man's hands! This new direct-mail approach gets the interview . . . and "CALEMETER" gets the signed application. Write for full details.

ZELL PRODUCTS CORP., 536 Broadway, New York, N. Y.

Please send Estater Calimeters @ \$1.00 each for which I enclose \$ together with samples of direct-mail folder campaign.

Send sample direct mail folders only.

Name Company

Address City State

AN "APP" A DAY THE CALEMETER WAY



LIFE AGENCY CHANGES

Gaither Goes to North Carolina

NEWARK—W. H. Gaither, field service manager in the Mutual Benefit home office for two years, becomes general agent at Charlotte, N. C. Agencies in the state are being consolidated with



W. H. GAITHER

the Charlotte agency as central office. The agencies at Winston-Salem and Raleigh continue as district offices. Basil T. Woodall, Winston-Salem general agent for four years, continues there as district manager. Harry R. Randall, managing agent at Raleigh for a year, continues as district manager.

Mr. Gaither is a native of the state. While in Newark he serviced southern general agencies. He has been in the business since 1930, starting at Elizabeth City, N. C., later becoming district manager, working jointly with the Raleigh and Norfolk, Va., agencies. He went to the home office in 1937, where he had much to do with developing the "Analograph," estate planning system of the Mutual Benefit.

District Managers Named

Two district managers have been appointed by the Equitable Society. Harry A. Stine, field assistant at Martinsville, Ind., is transferred to Ft. Wayne, Ind., as district manager out of the Homer L. Rogers agency of Indianapolis. Raymond G. Corbett, field assistant at Casper, Wyo., is transferred to Cheyenne as district manager, operating out of the H. Allen Nye agency of Denver. Mr. Corbett recently was elected to the Wyoming legislature. He has been with the Equitable since 1936.

Lueth Goes to Kankakee

Harold A. Lueth of Kankakee, Ill., has assumed his new duties as general agent for the General American Life in Kankakee and the six counties surrounding. He has been in the life insurance business on a full time basis since 1930. Prior to that he had worked in life insurance on a part-time basis between 1922 and 1930.

D. C. Kemp Returning to Coast

D. C. Kemp, agency manager of the Equitable Society in Chicago for eight years, has resigned that post to return to the Pacific Coast soon after Jan. 1.

MORTGAGE MONEY WANTED

We are Developers of Suburban Estates; can place \$500,000 in construction loans to customers wanting to build next year. Correspondence wanted direct with Insurance Co. desiring to enter this field for investment. Moreland Hills Co., 13124 Shaker Square, Cleveland, O.

He again will be associated with the Kellogg Van Winkle agency of the Equitable Society in Los Angeles, with which he formerly was connected as assistant agency manager. Mr. Kemp's successor in Chicago is in process of selection but announcement has not been made.

M. C. Laughman Takes Berkshire

M. C. Laughman has been appointed general agent in Minneapolis for Berkshire Life.

Chattanooga Rearrangement

Early last summer, the Aetna Life's Chattanooga office temporarily was crippled by loss of three men, but the unit has been completely reorganized. H. B. Alexander, Nashville, is general agent of the district. The Chattanooga staff is composed of P. A. Taliaferro, district agent, and C. C. Carson, home office group representative. New offices have been occupied in 402-403 James building.

Names Two General Agents

C. R. Tanner has been named general agent by the Pan-American Life at Fort Worth, Tex. J. B. Roark, San Antonio, has been appointed general agent in Bexar and Travis counties. Mr. Roark is operator of the Texas General Agency Company, San Antonio.

McNabb General Agent

E. A. McNabb has been appointed general agent by the Kansas City Life for Iowa with headquarters in Des Moines. He entered the business through the Aetna Life at Fargo, N. D., establishing a good sales record and doing recruiting, training new agents and other agency duties. Then in 1937 he became branch manager Guardian Life

Manufacturers Life Opens Pittsburgh Branch Office



WILLIAM M. MILLIGAN

A branch office was opened by the Manufacturers Life in the Clark building, Pittsburgh, with W. M. Milligan as manager. For nine years he has been associated with the Shirley agency of the New England Mutual there. The company has been licensed many years in the state but had no active organization there until the Philadelphia branch was opened in 1934.

Mr. Milligan entered the business as executive secretary Pittsburgh Life Underwriters Association, 1928-29, after having been a teacher of mathematics, then joined the New England Mutual there as agency secretary. He became agency supervisor, then associate general agent. He was president Pittsburgh Supervisors Club in 1933.

at Columbus, O., which post he resigns to take his new connection.

Shinn Named at Lakewood, N. J.

The Bankers National Life of Montclair, N. J., has appointed C. W. Shinn general agent for Lakewood, N. J., and vicinity. He has, in the past, specialized in the general insurance business, and now plans to expand his service to include a life insurance department.

Ohio National Names Rodruck

Robert C. Rodruck has been appointed manager at Seattle, Wash., by the Ohio National Life. He was formerly manager at Seattle for Mutual Trust Life and the American Mutual Life.

Deranleau Named in Portland, Ore.

Clifford Deranleau has been appointed manager for Acacia Mutual Life in Portland, Ore. For about nine years he was associated with Metropolitan Life in Washington.

Placed in Charge of Alabama

Lamar Life has appointed Robert S. McKnight as state supervisor for Alabama and John W. Lamar as district manager for south and east Alabama. Their headquarters will be in Montgomery.

Tinkham Goes with Holmes

Richard Tinkham has been appointed agency organizer for the Hugh Holmes general agency in Milwaukee for the Lincoln National Life. Mr. Tinkham, who is secretary of the Milwaukee Association of Life Underwriters, was associated with the Mutual Life of New York for several years.

Western Life at Salem, Ore.

Glen R. Munkers has been appointed general agent of the Western Life of Montana at Salem, Ore. He was reared

Made Superintendent for Ontario Province



C. F. DUNFEE

The Great-West Life has appointed C. F. Dunfee superintendent of agencies for Ontario, continuing at the same time his present duties as manager of the Toronto No. 1 branch. Mr. Dunfee first joined the Great-West Life in 1916, and after establishing an outstanding sales record in the field, had managerial experience in the branch offices at Regina, Vancouver and Winnipeg, before moving to Toronto a little over a year ago. Mr. Dunfee is a former provincial vice-president of the Life Underwriters Association of Canada and is at present a member of the Dominion board of directors of that organization.

in that territory. He formerly worked in banks at Stayton and Portland. He has been in the insurance business at Salem for five years.

Davis at Sioux City, Ia.

The Lincoln National Life has opened an agency in the Badgerow building, Sioux City, Ia., with Carl E. Davis, former Sioux City insurance agent, as general agent. Mr. Davis left there in 1934 to become home office supervisor of the Bankers Life of Nebraska and later was located in Salina, Kan.

The Penn Mutual has reopened its Rockford, Ill., office at 319 Wm. Brown building, in charge of Dawn A. Smith, late of Freeport, Ill., where, in the C. F. Hildreth agency he for eight years was the Travelers representative, all lines. The office is under F. A. Schnell general agency, Peoria.

R. A. Kennedy has been appointed special agent of the Provident Mutual operating in Hudson county, N. J., under the supervision of A. F. Gillis, general agent at Newark. He was formerly connected with the Colgate-Palmolive-Peet Co. in Jersey City.

Alliance Life Makes Adjustment

PEORIA, ILL.—Adjustment of indebtedness of \$91,412 of Emmet C. May, former president of Peoria Life with Alliance Life under its contract to reinsure Peoria Life business has been authorized by Circuit Judge Daily. Alliance Life is to receive 870 acres of land in Polk county, Minnesota, 127 shares of Commercial Merchants National Bank & Trust company, Peoria, and \$9,000 in cash for conveying to Ella M. May, Mr. May's wife, their Peoria residence.

O. O. McIntyre Estate Figures

Life insurance totaling \$62,022 was listed in the transfer tax appraisal filed on the estate of O. O. McIntyre, widely syndicated newspaper columnist, who died early this year. Net estate was \$72,456. Only \$22,022 life insurance was included in the latter figure on account of the \$40,000 legal exemption.

CHICAGO

G. R. KENDALL NAMED CHAIRMAN

G. P. Ellis, president of the Illinois chamber of commerce, has announced the appointment of Geo. R. Kendall, president of the Washington National Life, as general chairman of its insurance division. He served last season as executive committee chairman. At the same time announcement was made of the appointment of George F. Manzemann, vice-president North American Accident, as chairman of the executive committee.

In making the appointments, Mr. Ellis pointed out that the state chamber planned to give special attention to insurance matters during the coming 12 months. He stated that the major objective of the insurance division would be to do everything possible to develop insurance in Illinois out of regard for its potential importance as a major development favorably affecting all lines of trade and commerce.

E. A. Olson, president Mutual Trust Life, has been chairman of the insurance division.

GALLAGHER ASSISTANT MANAGER

John R. Gallagher has been named assistant manager of the west suburban district of the Metropolitan Life in Chicago. He has been an agent for five years and he has been the leading producer in the office and a member of the company's Production Club.

WILLIAM DE WOLF DIES AT 58

William De Wolf, who had been manager of Chicago and northeastern Illinois for Bankers Mutual Life of Freeport, Ill., for 30 years, died at his home in Woodstock, Ill., of a cerebral hemorrhage. He was 58 years of age. He was the oldest man in point of service in the Bankers Mutual field organization. He was the most valued producer of that company and had a clientele to which he was very close. Funeral services were held Tuesday in Woodstock. He leaves a wife and four children. Temporarily the Chicago office is being looked after by B. M. Colvin who is Illinois state supervisor.

W. M. HOUZE CELEBRATION

W. M. Houze, Chicago manager of the John Hancock Mutual Life, celebrated his 35th anniversary with the company and his 54th birthday anniversary Monday evening at a banquet at which a number of general agents of the company from other cities were present as well as three men from the head office. Lloyd Lynch, manager at Min-

JUVENILE INSURANCE

A plan for every purpose—
issued from ages
1 day to 15 years

- 20 Payment Endowment at Age 85

- 20 Payment Endowment at Age 65

- 20 Year Endowment

- Educational Endowment at Age 18

SINCE 1848



Annual Renewable Term

Experience has shown that the regular forms of life insurance are the most desirable for the average policyholder. However, there are some prospects who insist on buying Annual Renewable Term Insurance. To serve them we have added the Annual Renewable Term Policy to our sales kit.

The Manhattan Life
INSURANCE COMPANY

Founded 1850

120 West 57th Street
New York City, N. Y.

Outstanding
BY ANY
STANDARD
OF
COMPARISON

FOUNDED
1867



EQUITABLE
LIFE INSURANCE COMPANY
OF IOWA
HOME OFFICE DES MOINES

neapolis, presided over the speaking program. There were present from the head office Vice-president and General Counsel B. K. Elliott; J. H. Wood, manager of general agencies, and W. R. Pond, manager underwriting department. In addition to Mr. Lynch, who is president of the John Hancock Mutual General Agents Association, there were present R. W. Hoyer, Columbus, O.; W. B.

Ackerman, Cincinnati; John Wither-spoon, Nashville; D. W. Flickinger, Indianapolis; H. W. Wischmeyer, Cleveland; J. M. Clark, Peoria, and H. S. Haskins, Des Moines.

From the American Service Bureau came President Lee N. Parker; Vice-president B. M. Woodsall and Maurice Cederstrom, vice-president.

Mr. Houze's agency force includes

some 50 agents and four supervisors. His son, William M. Houze, Jr., who has been an agent in the office for about three years, is handling the brokerage business. D. A. Medaris, manager of sales, had charge of the details of the banquet.

Mr. Houze entered the business with the John Hancock in 1903, at Indianapolis, starting as a clerk with the E. E. Flickinger agency. Mr. Flickinger died some years ago and was succeeded by his son, Dan W. Mr. Houze remained with the agency 14 years, the last seven of which he was supervisor. In the early part of 1918 he was appointed general agent at Albany, N. Y. He remained there until December, 1924, when he was transferred to the Chicago manorship. He reached the city, starting from scratch, was unacquainted with it and knew but few people. He has built up a splendid organization.

Mr. Houze has been active in the life

underwriters movement. He is chairman of the general agents and managers division of the Chicago Life Underwriters Association, past president of the Albany association and the John Hancock Mutual General Agents Association.

SUPERVISORS HOLD ANNUAL PARTY

The Chicago Association of Life Supervisors held its annual party for general agents at the officers mess of the Naval Armory.

E. E. LAMB AGENCY NEAR TOP

The Edmund E. Lamb agency of Columbian National in Chicago ranked second in paid business among all company agencies during November. With improvement in general business conditions the agency hopes to exceed its November quota in December.



December 21, 1852

Born in the dawn of practical flying, The United States Life has long been known for its forward-looking, progressive attitude towards aviation and other special risks. Its facilities for servicing policyholders in foreign countries are more comprehensive than those of any other American life insurance company. The resulting steady growth in its foreign business is being matched by healthy increases in domestic business, for its program of expansion does not forget to cultivate the enviable reputation which it has been building up for over 88 years right here at home.

Write for booklet "New Horizons"

THE UNITED STATES LIFE INSURANCE COMPANY

IN THE CITY OF NEW YORK

101 Fifth Avenue



New York, N. Y.

Henry Giffard, "father of the dirigible balloon," circled above the ground in the first motor-driven airship—a notable advance in the science of aeronautics.

BARROW, WADE, GUTHRIE & CO.

(Established 1883)

CERTIFIED PUBLIC ACCOUNTANTS

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120 Broadway, New York City

Offices in the principal cities of the United States and Canada

Pure Protection LOW COST Life Insurance

(WHOLE LIFE POLICY)
No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY

10 East Pearson St., Chicago, Ill. • Phone Superior 1714

"THE SUN NEVER SETS ON AN UNPAID CLAIM"

Do your fellow agent a good turn—get him acquainted with The National Underwriter, the real insurance newspaper.

INDUSTRIAL FIELD NEWS

Prudential Jan. 1 Changes Announced

Prudential announces that beginning with policies dated on or after Jan. 1, weekly premium industrial policies will not be issued on the 20 year endowment, convertible endowment, endowment age 65 and infantile whole life for \$1,000 (ultimate benefit) plans.

Policies on the whole life (paid-up at age 70), 20-year payment life, and 10-year payment life (ages 61 to 70) plans will be continued. Adult \$500 policies on both the whole life (paid-up at age 70) and 20-year payment life plans will be continued, but on account of the new infantile limits of amount of insurance in New York, these policies may not be issued until the child to be insured is fully 10 years of age.

A new infantile 20-year payment life policy is being introduced, as is an infantile whole life (paid-up at age 70) policy with a commencing premium of 15 cents which will be issued in New York only. There is no change in the premium rates and benefits for plans which are continued.

The maximum amount of weekly premium industrial insurance in force on one life at actual ages over 14½ will remain at \$1,500. The total amount of insurance (all kinds in force in all companies) at actual ages 10 to 14½ will also remain unchanged. Not more than \$500 will be issued in any one year at ages over 10. The limit of amount of insurance (all kinds) in force in all companies for children under age 10 (actual age) has been set by statute at \$400. This new statutory limit will, in general, limit the maximum amount of weekly premium in all companies at ages under 10 to fifteen cents.

New policy forms have been prepared under which provision has been made for a named beneficiary to receive the proceeds. The right to change the beneficiary is automatically reserved in the policy.

The intermediate monthly premium industrial policy will be discontinued. In its place, will be issued an intermediate monthly premium policy. New forms have been prepared which include the ordinary dividend and loan provisions. The interest rate on policy loans has been reduced to 5 percent payable at the end of the year.

The premium rates for intermediate monthly premium policies issued on the whole life and 20-year payment life plans are the same as for the present intermediate monthly premium industrial policies. The premium rates at most ages for 20 year endowment policies have been slightly increased over the present rates for intermediate monthly premium industrial policies. There has been no change in the non-forfeiture values under any of the plans

issued, except that cash and paid-up values have been made available earlier.

Bargain Refusal Main Contention

MILWAUKEE.—All charges against the Prudential except those covering refusal to bargain with a labor union were dropped by the International Union of Life Insurance Agents before close of the hearing conducted here by the Wisconsin state labor relations board on charges of unfair labor practices brought against the company by the union.

The complaint also alleged the company interfered with rights of its industrial employees to organize and kept them under continuous surveillance in the industrial offices at Milwaukee, Racine and Kenosha. S. N. Moe, regional director of the board, who presided as examiner, said the issue had narrowed down to the question of refusal to bargain and the company's counsel had reserved right to present additional testimony up to Dec. 22. Counsel for the company and union were ordered to file briefs.

Attending the hearing were J. P. Mackin, second vice-president Prudential; H. H. Harris, vice-president, and C. M. Shanks, solicitor general. C. B. Quarles, Milwaukee attorney, also represented the company.

Prudential officials in the hearing admitted the company refused to bargain with the union and said it would continue to do so. They claimed the company did not come under jurisdiction of the state labor act and bargaining with the international union would be impractical because the union is organized chiefly in Wisconsin while the Prudential is a national organization. It was also pointed out the company had no evidence or knowledge the union represented a majority of the employees.

Union officials testified the vast majority of agents in the three areas were members of the independent union. Joseph Simon, Milwaukee, international union president, testified 256 out of 260 agents engaged in industrial policy work for the company in the three cities were union members.

Metropolitan Meet in Chicago

Metropolitan Life managers in Illinois met in Chicago for a territorial meeting with A. T. Schussler, superintendent of agencies, and S. D. Risley, assistant superintendent of agencies, of the Great Lakes territory.

The Louis F. Parey agency in Philadelphia and Camden, N. J., for the Provident Mutual Life is holding a turkey contest with the force divided into three groups, the "Veterans," the "Three to Five Year Group" and the "One and Two Year Group." So far the younger group is ahead.

LEGAL RESERVE FRATERNALS

Williams to Head Equitable Reserve

NEENAH, WIS.—Norton J. Williams of Neenah, for the last 12 years supreme vice-president of the Equitable Reserve, has been elected supreme president of the life fraternal to succeed the late Judge John C. Karel, president for the past 18 years.

Dr. George H. Williamson, chief medical examiner of the Equitable Reserve for the last 20 years, has been named vice-president to succeed Mr. Williams.

In the 41 years of its existence, the Equitable Reserve has had only four changes in the office of president.

Mr. Williams has been active in the Equitable Reserve since 1918 when he was elected Wisconsin state president. He was named a supreme trustee in 1922, and vice-president in 1926. He was in the sale promotion department of a machine manufacturer for 13 years and sales manager of a printing concern for four years. He served as a supervisor and chairman of the Dane county board.

He is a past district governor of Wisconsin and northern Michigan Kiwanis and former Wisconsin president of Moose. He is one of the outstanding fraternalists of the country, active in the National Fraternal Congress, whose meetings he has addressed. He was one of the prime movers in organization of the N. F. C. Fraternal Field Managers Association.

Dr. Williamson has been chief medical examiner since 1918, and has resided in Neenah since 1912. He is a graduate of the University of Michigan medical course and established a fine record as physician and surgeon for the C. & N. W. railway and Kimberly-Clark Company, paper manufacturers.

Lutheran Brotherhood Not to Raise Premium Rates

No premium rate change is contemplated by the Lutheran Brotherhood, it was announced. The dividend schedule is to be maintained in 1939.

"Our interest earnings are approximately the same as last year. Our mortality may be slightly higher, but we do not anticipate any change whatsoever."

Two Society Officers Are Elevated



NORTON J. WILLIAMS

Norton J. Williams, vice-president of the Equitable Reserve, Neenah, Wis., becomes president, and Dr. G. H. Williamson, chief medical examiner, also becomes vice-president. The changes follow the death of J. C. Karel.

in our dividend schedule. With conditions as above stated, there is no occasion for a change in rates.

"We might also state that in addition to our maintaining our dividend schedule, we have made substantial increases in our surplus from year to year.

"As to our ability to pay 5 percent on dividends left to accumulate, the mere fact that we have increased our surplus substantially each year besides maintaining our dividend scale and paid interest at 5 percent on dividend accumulations, should be real proof of our stability."

Hearing Dec. 23 on Reinsurance

MADISON, WIS.—Commissioner Mortensen will hold a hearing here on Dec. 23, upon the petition of the White Cross of Milwaukee, a mutual benefit society organized and operating under the laws of Wisconsin, and the Sons of Norway of Minneapolis, Minn., a fraternal benefit association of that state, for the approval of modification of a contract for consolidation and reinsurance.

Michigan Managers to Meet

The Michigan Fraternal Managers Association will hold a meeting Jan. 4. A constitution and bylaws have been drafted by R. M. Norrington, field superintendent Gleaner Life, who was active in forming the Michigan group and is past president, as well as active in the Fraternal Field Managers Association of the National Fraternal Congress.

Hungate Succeeds Denman

W. L. Denman, member of the executive committee of the Ben Hur Life since 1921, died recently at his home in Greencastle, Ind. R. D. Hungate, assistant secretary, was appointed on the executive committee succeeding Mr. Denman. He has been with the Ben Hur since 1912 in various capacities.

Oklahoma Congress to Meet

The Oklahoma Fraternal Congress will hold its annual meeting in the Biltmore Hotel, Oklahoma City, Feb. 24-25. This immediately follows the mid-winter meeting of the National Fraternal Congress to be held at Chicago and it is expected many from there will attend the Oklahoma meeting. The tax situation has been well cleared up in Okla-

Former Company President Dies After Brief Illness



ROBERT L. ROBISON

R. L. Robison, 59, for many years president of the Bankers Reserve Life, died after a month's illness.

His grandfather founded the company, and it was consolidated in 1933 with the Ohio National Life. Mr. Robison, a native of Tekamah, Neb., joined the company as a young man, and was vice-president for many years, then president for 17 years.

homa, incoming state officials being friendly to the fraternal system, including Governor Phillips, and the problem of retroactive taxation against fraternals having been settled.

Cites Danger of Specifying Ground for Denying Liability

Paul E. Price, in addressing the meeting of the Chicago Life Insurance Lawyers Club Tuesday evening asserted that declining liability on a specific ground in Illinois is hazardous from the insurer's standpoint if it should afterward develop that other grounds of denial of liability make themselves apparent to the company.

While the company is not required to assign a reason for declining liability, if it does specify the ground upon which it is declining liability, it waives all other grounds and will not be heard after litigation is commenced to assert other and different grounds of defense, he observed.

New Men Visit Home Office

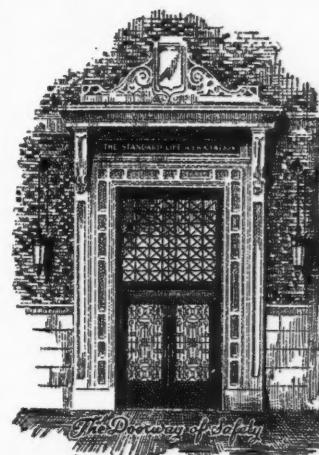
CINCINNATI.—Union Central Life held the sixth of a series of new agents'

THE WOMAN'S BENEFIT ASSOCIATION
Founded 1892
A Legal Reserve Fraternal Benefit Society
Bina West Miller, Supreme President Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

meetings at its home office. Four such meetings are held a year. There is no set program for the two-day meetings. The purpose is to acquaint qualified new men with home office personnel and routine. A minimum of \$50,000 production is required for eligibility, and the agent must be producing on a basis of \$100,000 annually. An agent who has represented the company nine months must have \$75,000 minimum. There are usually about 12 men qualifying for each meeting. The men are taken through the various home office departments and meet home executives in an informal, friendly fashion.

More Michigan Aspirants Appear

LANSING, MICH.—More aspirants for the post of insurance commissioner under the new state administration are beginning to appear although Governor-elect Fitzgerald has indicated he will continue the incumbent, C. E. Gauss in office for some time after Jan. 1. Among those most recently mentioned are C. M. McNaughton, of the McNaughton, Breen & Nutt agency, Detroit; S. A. Lambert, former president of Agricultural Life, and William Bishop, prominent young Republican leader of Alpena.



Stability — Safety

Performance

ASSETS

\$13,750,000.00

CLAIMS PAID

\$118,000,000.00

The Standard Life Association

Lawrence, Kansas

GEO. R. ALLEN JOHN V. SEES
President Secretary
MARTIN MILLER
Treasurer

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY Supreme President L. D. LININGER, Supreme Secretary
SHARON, PA.



DR. G. H. WILLIAMSON

Williamson, chief medical examiner, also becomes vice-president. The changes follow the death of J. C. Karel.

NEWS OF LIFE ASSOCIATIONS

Holgar Johnson Is Honored for Service

PITTSBURGH—In recognition of 16 years' service in life insurance work, H. J. Johnson, president National Association of Life Underwriters, was presented a parchment scroll at the final 1938 meeting of the Pittsburgh Life Underwriters Association. This followed his address on "Changing Trends."

The scroll was signed by association officers and directors.

Among those at the meeting was C. W. Scovel, agent Northwestern Mutual, the only living national past president in Pittsburgh. His term was 1905-1906, and he was president Pittsburgh association 1901-1902.

Coffin Speaks in Michigan

GRAND RAPIDS.—V. B. Coffin, vice-president and superintendent of agencies Connecticut Mutual, gave a talk at the monthly meeting. He also addressed the Grand Rapids, Detroit and Flint agencies of his company and was a breakfast guest, with S. T. What-

ley, Aetna Life vice-president, also here for an agents' meeting, of the Grand Rapids Life Managers' Association.

Dr. Huebner Heads Faculty Of Philadelphia Course

PHILADELPHIA.—A sales training school with enrollment of more than one half the membership and subjects embracing all phases of life insurance, has been inaugurated by the Philadelphia Association of Life Underwriters. It will run over a twelve-week period, with outstanding producers, general agents and Philadelphia company officials as lecturers. The 348 students will submit written papers each week to be graded.

Wisconsin Sales Congress Draws Good Attendance

MADISON, WIS.—More than 100 agents from this city and vicinity attended the annual sales congress of the Madison Association of Life Underwriters. Ralph Larson, associate manager Central Life of Iowa, was general chairman. C. W. Tomlinson, agency manager Bankers Life of Iowa, is president.

Speakers included K. R. Clark, Chicago insurance attorney, on "Social Insurance and Its Effects Upon Life Insurance"; B. S. McGiveran, general agent Northwestern Mutual Life, Eau Claire, Wis., spoke at the Houston convention of the National Association of Life Underwriters on "The Tax Approach to Larger Cases"; W. J. Tucker, Beloit, president Rock County association, on "Sales Aids," and G. C. Nixon, Appleton, president Fox River Valley association.

The luncheon speaker was K. W. Jacobs, Milwaukee general agent Connecticut Mutual and National committeeman from Wisconsin, on "Are You A Builder?"

Peoria, Ill.—A three-fold program was held, there being an annual ladies' night dinner-dance, with Helen Summy, St. Joseph, Mo., Equitable Society, president St. Joseph Underwriters' Association, giving a talk on "The Professional Aspect of Life Underwriting." Roy E. Davis, Aetna Life, president Peoria association, was chairman. A seminar was conducted by Dr. Verne Steward as another activity of the week. This was on "Selection of Sales Personnel," members of the managers' division attending. C. R. Golly, Equitable Society, president, was chairman. The annual membership drive was started with F. J. Manning, Metropolitan, as general chairman, and last year's membership total of 218 as the goal.

Fresno, Cal.—More than 150 attended the one-day sales congress here of the Central California Life Underwriters Association. James C. Sellers, manager of Occidental Life of Fresno, presided. Lester Roscoe, educational director at the head office of Occidental Life, opened the day with a talk on "Prospecting." Other speakers were Fred East, San Francisco, superintendent field service West Coast Life, "Putting Uncle Sam on Your Payroll"; A. S. Holman, San Francisco, manager Travelers, "Mental Attitude"; Forrest Curry, San Francisco, general agent Penn Mutual, "Drippings from the Vest"; V. T. Motschenbacher, San Francisco manager Sun Life, and president San Francisco association, "Prestige Building"; John W. Yates, Los Angeles, general agent Massachusetts Mutual, "Go and Give."

San Antonio, Tex.—Isadore Segall, Southland Life, president of the Dallas association, spoke on "Life Insurance as a Career."

Wichita, Kan.—Directors at a meeting formulated a program for the balance of the year. Emmett Ireland, Penn Mutual, is program chairman and E. H. Watson, Mutual Life of N. Y., president. H. H. Meyer, executive secretary Kansas Independent Oil Men's Association, spoke on "The Relativity of Oil Association to

the Work of Life Insurance." Twelve members have been added this year. Ten are enrolled in the C. L. U. class under Levi B. Rymp, Aetna vice-president.

Evansville, Ind.—Homer Hansel, Mutual Life of New York agent, spoke on "Selling the Christmas Spirit." A program submitted by Robert Hill, A. J. Kinney, and Stanley Sommers, membership committee, was unanimously approved. A goal of 100 members was set for 1939.

Toledo, O.—Ward Phelps, consultant Sales Research Bureau, spoke on "1939—What's In It for Me."

Knoxville, Tenn.—E. Lloyd Mallon, assistant director of agencies for Mass Mutual, spoke.

Indianapolis—Speaker at a meeting Dec. 19 will be Commissioner Frank N. Julian of Alabama, president National Association of Insurance Commissioners. Governor Townsend, Lieutenant-Governor Schricker and John Cramer, chief deputy insurance commissioner of Indiana, and commissioners of Illinois, Kentucky, Michigan and Ohio will be guests. The program will be staged as "George Newbauer Day" in honor of Commissioner Newbauer.

Denver—Glen A. McTaggart, manager Denver ordinary agency Prudential, was named National executive committeeman at a board meeting.

Los Angeles—Six hundred life men were present at a legislative dinner given by Los Angeles and seven other southern California associations with all southern California assemblymen and state senators in the next legislature as honor guests. Commissioner Rex B. Goodcell, Assemblyman Dr. J. R. Kellems and President W. O. Mendenhall of Whittier College were speakers. All stressed the importance of life insurance in connection with the welfare of the people and politics were entirely eschewed during the proceedings.

St. Louis—Max Derryberry, head of the St. Joseph, Mo., office of the New York Life, will be the principal speaker at the December meeting. His subject will be "Planning for 1939."

Rochester, N. Y.—S. E. Martin, general agent in Columbus, O., for State Mutual Life, was the speaker here Wednesday on "Selling With Facts." He appeared in Buffalo the next day.

Warns Against Wrecking Programs by Bank Loans

(CONTINUED FROM PAGE 1)

lowing life insurance: Company A, \$15,000—cash value \$3,400; Company B, \$12,000—cash value \$3,100; Company C, \$20,000—cash value \$4,400; Company D, \$25,000—cash value \$6,000; Company E, \$28,000—cash value \$3,000.

"He desires to borrow \$18,000. It becomes necessary for him to assign all his policies. Remember that he has a program all worked out by a competent insurance man. Included in the policies are settlement option provisions that are more liberal than companies will now write. How is this change to be put through by the bank?

"Most banks will not accept anything but absolute assignments. That means the exclusion of optional provisions. Some banks will accept collateral assignments. That invites a great deal of trouble in the future in the event of a claim. Other banks will accept changes of beneficiary. Some insurance companies will use either absolute or collateral assignments, some will do neither but will change the beneficiary only. Some will pay on evidence of debt. Some will not regard debts at all but will pay on assignment."

Mr. Hirschfeld suggested the following questions for an agent to ask the bank where one of his clients contemplates borrowing from a bank on his life insurance policies:

"What is the minimum loan you make? The maximum loan? What rate of interest do you charge? Does your rate vary with the amount of the

Baltimoreans Fete Hale, Equitable 30-Year Man

BALTIMORE—More than 100 attended the meeting of the Baltimore Life Underwriters Association that was dedicated to Ray R. Hale, agency manager of Equitable Society, who had completed 30 years in the business. All of Mr. Hale's agents attended the meeting, being seated at a huge table in the center of the dining room.

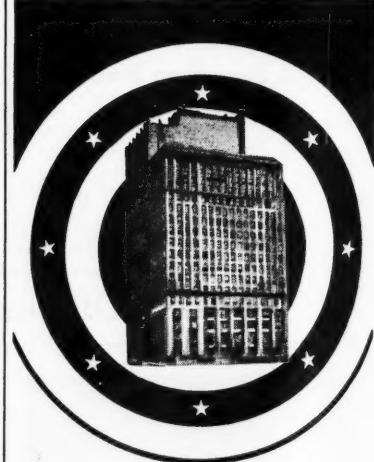
The speaker of the day was Walter Stewart Penny, director of agencies Sun Life of Canada.

loan? For what period do you make loans? Is there any guarantee as to future interest charges? Do you have your own forms or do you employ company forms?

"Can the insured retain the original provisions for modes of settlement in his policies? If such provisions cannot remain, what happens to them?

"Assuming that you have control of all policies and my client dies before the loan has been repaid, which company will pay the loan in full? Assuming that one company has paid the loan in full, what happens to your control of the rest of the proceeds? Will it be paid in one sum or as provided for by the modes of settlement? Assuming also that the original beneficiary, who is the wife, dies with the insured in a common disaster and the contingent beneficiaries are his minor children, will they receive the proceeds from the insurance company or from your institution? What assurance will my client have on this point?"

Mr. Hirschfeld is the leading producer of the National Life for last month and for the year to date. The Bender agency though affiliating with the National Life only last July, now ranks third among the company's agencies.



General Agency OPPORTUNITIES for good personal producers

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Sales Ideas and Suggestions

Supervising Supervisors Is Expounded by Elliott

Several important functions of agency supervisors were discussed by J. C. Elliott, general agent Penn Mutual, Newark, in a talk on "Supervising Supervisors" at a meeting of the New York Managers Association. A good supervisor, he said, never can be paid what he is worth. Mr. Elliott urged that supervisors, for the sake of their possible development into general agents and managers, be permitted to operate as unit managers, handling their units like miniature general agencies.

He should be informed about value of space his unit occupies, rental, secretarial expense, stamps, stationery, telephone service, fixed charge for cashier's department service; the supervisors compensation, and other items of overhead, then led to relate premium income and production of himself and his unit to such charges, Mr. Elliott said.

Analysis of Unit Cost

Knowing the average premium per \$1,000 of the agency, and the rate in dollars per \$1,000 which the general agent can pay for supervision, the supervisor should be shown the gross volume needed to cover his unit cost. His first function is to recruit sufficient manpower of average production ability to feel that he is a going concern.

The supervisor's second function is proper training of this manpower. He should be led to quick appreciation that there are limits to the number of men over which he can efficiently divide his time, and necessity of careful selection, adequate training and early determination of aptitude of his recruits for the business.

Insist on Production

"The third major function of the supervisor is the supervision of his manpower," Mr. Elliott said. "This begins, in my opinion, with your insistence upon a definite volume of personal production, say somewhere between \$175,000 and \$200,000 of paid life insurance, representing the sale of 20 to 30 lives. You are now assuring yourself that your supervisor knows how to prospect efficiently, because you recognize he is not going to have much time for this job. You also are assuring yourself, that he will be abreast of current objections and public acceptance of certain types of contracts. Further, he will be in an excellent position to enjoy prestige with his agents, because of the ability to do it himself, to say nothing of the fact that it will augment his salary."

Likewise, he will be less hesitant about field work with his agents, better appreciative of their problems and reluctant to cut in on their compensation by insisting upon split commission. He will come to a realization sooner, too, of the necessity of developing his agents as self-sustaining individuals rather than as leasers in his desire to free his own time for extra compensation.

Warns Against Losing Time

"In all of the foregoing procedure, you will find it easier to show him the danger in using mechanical forms of supervision, in hours spent in preparation of illustrations, and all the other mechanical duties which compete for his time, which after all can be best used in front of a suspect or prospect."

"So, finally, we come to the checks and balances which may be employed to assist you in overseeing the activities of this supervisor. Set aside in every week a definite day and hour one or two when he joins with you or if there is more than one of him when all join

together to review the week's results, to plan your agency meetings, and to discuss with him every intimate problem of your agency which you are not barred by company regulations from doing. If he understands the many problems which confront you, and especially if he is thoroughly familiar with the home office supervision to which you are subject, and especially if he realizes what your personal compensation amounts to, he will in my opinion, give you every possible support and loyalty.

Mechanical Plan

"Mechanically, I have found that when this man first assumes a position as supervisor, a simple daily report sheet, upon which he notes the hours spent in office detail, the hours spent in office consultation with agents, the hours spent in recruiting activity, the hours spent in personal production and the hours spent in field work with agents is very desirable. In the first place, if you believe as we do, in daily time control and plan sheet reports from agents, you will find that he will do a better job of getting such reports from his agents if he in turn is in the position of having to turn one in himself.

"I would recommend that a quarterly analysis of this man's unit progress be prepared by you from your office records, which will show him as closely as possible the progress his unit is making towards self-sufficiency; the cost of the production of the volume secured from all the manpower in his unit; the cost of volume secured from his remaining manpower, and the cost of the volume secured from manpower no longer under contract; the cash pre-

miums collected in the period and the relation of all of this to his unit expense."

Mr. Elliott exhibited a specimen of the "supervisory review" which he has found works out well, in this case covering a period of five months. It is:

1. Recruiting Analysis:
A. Supervisor's contacts..... 12
General agent's contacts..... 7
Total 19
Canceled 9
Remaining 10
Of the 12 recruited by supervisor, 6 are still under contract.
Of the 7 recruited by general agent, 4 are still under contract.
2. Unit Job:
A. Portion of volume from assigned contracts..... \$242,996
Portion of volume from canceled contracts..... 131,859
Portion of volume from existing new org..... 187,622
Total \$562,477
B. First year lapse..... 87,192
Net volume..... \$475,285
C. Cash premiums collected 1/1/37 to 10/1/38.
Assigned men..... \$ 7,909.18
New organization
a. Cancelled 488.00
b. Existing 1,709.92
c. Deceased first year 2,053.44
Total \$12,160.54
3. Unit Expense:
Salary \$150 per month to July 1, then \$200..... 2,400.00
Travel 311.21
Expense of lost manpower 641.56
Rental 1,700.00
Secretary — 50c per mo. per man, (average 10) 85.00
Telephone \$1 per man—10 men 170.00
Postage 10.20
Total \$5,317.97
4. Cost per \$100 of cash prem.
5. Average service per man.... 6 months
6. Average production per man on all men..... \$ 29,600
7. Average production per man on existing manpower (ex. old organization)..... 26,803
8. Average cost per agent 17 months (19 men)..... 279
9. Permanent loss sustained (9 times 279)..... 2,511

Seven Success Steps Are Told by Berwick

TORONTO—In an address on "The Magic in Underwriting," at luncheon of the Life Underwriters' Association here, H. B. Berwick, supervisor of field service Manufacturers Life, said the consciousness of successful life underwriters is that the way to success is by use of certain fundamentals:

"1—Seek constantly new prospects. He suggested use of the 'endless chain' method by means of which present prospects lead the way to new prospects.

"2—Approach men interested.

"3—Converse convincingly.

"4—Retain clients' friendships.

"5—Conduct personal affairs wisely. The man who is looked upon in his community as a substantial business man of sound judgment has a decided asset. An underwriter's own insurance is the real barometer of his belief in what he is selling. If one cannot overcome his own objections, how can he overcome those of one's prospect?

"6—Improve knowledge of insurance services. Without knowledge even the most energetic worker is not going to achieve the success he hopes for, but knowledge is power only when it is converted into action. To succeed in the life insurance business one must turn a deaf ear to destructive thoughts and conversely welcome constructive thoughts.

"7—Work systematically. Everything else but the time spent face to face with prospects is preparatory."

Says Outside Activities Pay

BOSTON—In "Finding and Approaching a Market," C. Preston Dawson of the Beers & Dawson agency

Survey of Young Agents Shows Hard Work Pays

KANSAS CITY—Study of results obtained by agents in their first year has been completed by Walter Cluff, educational director Kansas City Life, 2,607 hours of work being covered. The young agents made 2,499 calls, had 1,059 interviews, paid for 114 applications for total volume \$168,449 and total premium collection \$4,305.32.

Average application was \$1,477; average premium per \$1,000 was \$25.63. Time required per \$1,000 was 15 hours; 2.4 calls to secure an interview, and 9.2 interviews for an application.

The study proved conclusively, Mr. Cluff said, that a man who will work at the job of selling life insurance will make more money than the majority of men in his locality are making today.

New England Mutual Life, New York city, told the Boston Life Underwriters Association at the December meeting, the underwriter must select prospects who are insurable, spend less than their income and be met with a favorable approach. Agents are mistaken who believe they can't afford to engage in activities outside life insurance, Mr. Dawson said. It pays to take part in church activities, parent-teachers associations and the like. Many prospects thus are secured. As to not having time, it doesn't take more than one night a month to be a director of the Y. M. C. A., parent-teachers association, community fund or Boy Scouts. Agents who dislike to solicit friends made in such contacts do not have a proper responsibility for their friends or have not mastered the technique of breaking the ice with them, he said.

Prospect Turns on Group Gets Pledges for \$115,000

"How many of you feel you have enough life insurance properly to secure your wife and family?" queried Hal Crouch of Tulsa, addressing the Oklahoma City Association of Life Underwriters. No hands went up. "How many of you feel that if you inhaled less nicotine—played less golf—etc., you could not increase your life insurance program?" No hands showed. "Then don't be surprised at the answer you get from many of your prospects," he said.

Mr. Crouch is a leading attorney of Tulsa and honorary member of the Tulsa association. He turned the tables on the underwriters. "Now, you have all admitted that you have not enough insurance—and can afford to buy more—so just write on the card you find on your table, the amount you pledge to take out before Jan. 1, 1939." When added, the amount pledged totaled \$115,000.

"How can you expect to sell anything you are not sold on yourself? The reason you are not sold is because you have not studied it enough to appreciate the real value of the very thing you are trying to sell your prospects."

The annual sales congress will be held Feb. 3.

Use Psychology on One's Own Attitudes

Isadore Segall, Southland Life, Dallas, speaking to the San Antonio (Texas) Association of Life Underwriters on "Life Insurance as a Career," stated habits, profitable and unprofitable, are a matter of cultivation. Applying the principle of cultivating a correct and profitable habit, Mr. Segall urged life men quit talking in thousand units and quote monthly income for a specified time. A prospect refused to consider a \$1,000 policy, but when it was changed to units of \$50 a month for three years bought \$1,740.

He referred to the emphasis placed on psychology to control the other man's mind and said this idea had not proved successful. He suggested that life men apply psychology to control of their own attitudes and reactions so that they might obtain best results for prospects.

Mr. Segall urged that life insurance salesmen use simple language freed from all technical terms so the prospect may have a clear picture of what life insurance does. He stated the rate book is full of romance. Selling life insurance he defined as an art and science, and he asked his hearers to learn the art of selling.

Why People Buy Insurance

J. S. Drewry, Cincinnati general agent of the Mutual Benefit Life, in a talk to the Columbus Association of Life Underwriters said that any one who wishes to succeed in writing life insurance may do so through hard work, provided he has knowledge of the business, skill, control of his time and prestige. People buy life insurance to get results, he said, and he listed the following reasons for investing in life insurance: To underwrite a capital account, which can be done in no other way; obtain desirable property; obtain property that can be easily transferred to another without loss, and to obtain the benefit of a trusteeship. Life insurance, he asserted, is the best form of property management, and calamity, either general or personal, cannot harm it. It is the best form of investment, he asserted, when death occurs.

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Complete financial data, policy facts,
 rates and values in the 1938 Unique
 Manual-Digest. \$5. National Under-
 writer.

PACIFIC COAST AND MOUNTAIN

Competition for Post of California Commissioner

Charles R. Detrick, California insurance commissioner from 1925 to 1929, whose activities in connection with the old International Life brought him nation-wide recognition and criticism, is a candidate for reappointment to the office under Governor-elect Olson. Mr. Detrick, a life-long Democrat, has held several state offices as appointee of Republican governors.

A group of San Francisco insurance men and outsiders have formed a special campaign committee to stimulate Governor Olson's interest in Mr. Detrick who has been more recently deputy state building and loan commissioner.

Signs of increasing competition for the post of commissioner under the new Democratic administration are becoming more apparent each day, yet strong support is being placed behind Rex B. Goodcell, who was appointed in July for a four year term by retiring Governor Merriam. Mr. Goodcell's appointment has not yet been confirmed by the state senate. The senate is overwhelmingly conservative and ordinarily might be expected to confirm Commissioner Goodcell. However, there is conjecture as to how the senators will vote in view of the new type of administration expected under the new governor, who has been characterized as a super-liberal.

Three Write Over \$100,000

Ernest Buchanan, agent of the State Life of Indiana in California, wrote 105 applications for \$149,750 during November. Two other members of the California agency exceed \$100,000—they were M. M. Adler of San Francisco who wrote \$163,000 and Manager Arthur J. Hill who wrote \$154,000. Agency's total volume was in excess of \$1,000,000, the best November since 1932.

Veterans Meet in Salt Lake

SALT LAKE CITY—A luncheon was given by William A. Carter, general agent Penn Mutual Life, to members of the Deans' Club, an organization of veteran western life underwriters. Personal experiences in the business, were related. The Deans' Club was organized at Salt Lake in 1936, with John D. Spencer, New York Life, president. A count taken at the luncheon disclosed that the seven veterans had expended a total of 212 years in the life insurance business; that their ages totaled 454 years, and that they had written business in excess of \$30,000,000.

Flynn to Aid Producers

John L. Flynn, former deputy attorney-general of California who handled all the litigation in connection with the reorganization of the Pacific Mutual Life, and who recently entered private practice, has been retained by the newly organized Associated Insurance Producers of California. Mr. Flynn will at the outset aid in the preparation of the proposed amendments to the agents and brokers qualification law of California.

Keesling Will Give Full Time to the West Coast

F. V. Keesling, Sr., who has been vice-president and general counsel of the West Coast Life and now becomes its president, will give his entire time to the company and will be at the home office. His law firm continues as it has been. His son, F. V. Keesling, Jr., assistant general counsel, remains with the law firm. Mr. Keesling was in New York attending the meeting of the Association of Life Insurance Counsel and the Life Presidents Association annual convention. From there he went to Des Moines to attend the meeting of the National Association of Insurance Commissioners. He is one of the outstanding men on the coast, one who has done much for the San Francisco community, is prominent in civic and political life and as head of the West Coast Life is assured of a highly intelligent and successful administration.

New directors appointed are Dr. Ivan C. Heron, who succeeds Dr. M. O. Austin as medical director; Harry J. Stewart, newly elected vice-president and manager of agencies; John C. Veach, the company's counsel in Oregon and George D. Clark Jr., who succeeds his father. Retiring President Victor Etienne Jr., remains as a director as does John A. Koster, Carlos C. Warner, George U. Hind, Charles H. Lamerton and Byron Mauzy.

The finance committee is being consolidated with the executive committee, which will consist of President Keesling, First vice-president Gordon Thompson, Mr. Stewart, Carlos C. Warner, secretary and Mr. Clark.

Brust Is Well Known

Charles K. Brust, who has become manager of the Guardian Life at Los Angeles, is well known in the city. S. K. Lehman, well known Guardian Life agent, becomes supervisor. Carl H. Von Bretton, who had been co-manager for 16 years with Mr. Brust, felt it necessary to retire on account of ill health. Superintendent of Agencies Frank Weidenborner and Pacific Coast Supervisor N. F. Davis after making the change at Los Angeles, visited San Francisco, Portland, Seattle and the new Oakland, Cal., office.

MANAGEMENT

Preparing Pittsburgh Slate

PITTSBURGH—A testimonial to D. W. Hooton, associate general agent State Mutual Life and president of the club featured the December meeting of the Pittsburgh Supervisors Club. He was presented a jigsaw for his home workshop. A nominating committee was appointed to select a slate for election at the annual meeting in January. In the absence of Holgar J. Johnson, general agent Penn Mutual, president National Association of Life Underwriters, who was scheduled to speak but was unable to attend, discussion was held on "Raising Prestige for the Agent."

Dr. Verne Steward conducted a seminar on pre-selection of prospective agents. Steacy E. Webster, general agent Provident Mutual, president agencies committee, was in charge.

Agents Do Office Work First

Paul C. Kaul, Topeka district agent Connecticut Mutual Life, trains agents by employing a prospective agent in his office in detail work on a salary basis. His duties consist of a limited amount of correspondence work, telephone calls and studying the rudiments of programming and information in the rate book. Mr. Kaul has found that it takes from three to six months to properly prepare the new man for writing insurance. Usually the recruit becomes so enthusiastic during his apprenticeship that he is most anxious to get out into the field.

Joint Meeting in Portland

PORTLAND, ORE.—At the joint life meeting of Portland Life Managers and of Puget Sound Life Managers Robert N. Latta, cashier Lincoln National Life, spoke on "The Front Office"; Paul Green of Aetna Life, on "Merchandising Plans"; Lawrence Bates, Mutual Benefit general agent, "Men—When and How to Get Them"; Hugh S. Bell on "Agency Gas and Oil."

Christmas Party in Milwaukee

The Life Managers & General Agents Association of Milwaukee is holding a Christmas party Dec. 16. The annual meeting and election of officers will be held in January.

Ohio Post Still Undecided

D. E. Morgan of Cleveland, former city manager, has declined appointment as director of commerce tendered him by Governor-elect Bricker of Ohio. The insurance division is in the department of commerce and the opinion prevails appointment of an insurance superintendent will not be made until the commerce director is named. Action soon is expected as it is reported major appointments will be made by the time the governor assumes his duties Jan. 9. R. R. Beetham of Cadiz, banker and former speaker of the Ohio house, and former Senator Vernon Metcalf, Marietta, have been prominently mentioned as candidates for director of commerce.

Sales-making facts and figures are given in the Little Gem Life Chart.

AGENTS WANTED!

Definite Territory, under
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of Charleston, W. Va.

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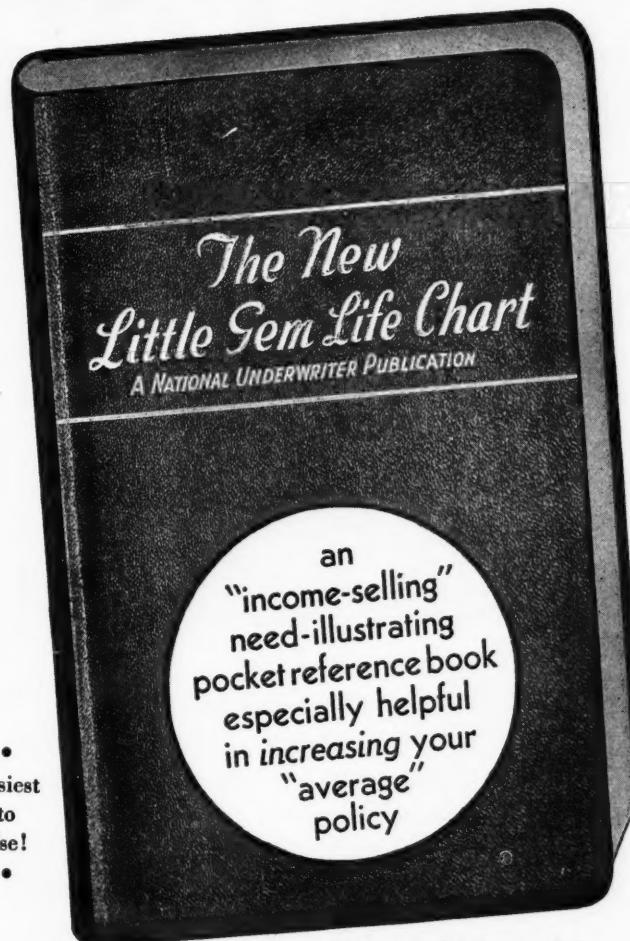


CHANGES in Interest Rates!

CHANGES in Income Guarantees!!

CHANGES in Settlement Options!!!

CHANGES of All Kinds!!!!



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—for 1939 New UP-TO-DATE facts and figures are Absolutely Essential

—for 1939 Every Agent Should Have

The New 1939 “LITTLE GEM”

(Largest Circulation of any book of its kind)

Vast changes have been made recently, by many important companies, particularly in the field of “options” and “incomes.” In view of their extensive use today, and since most modern selling methods are based on “income” presentations, new up-to-date information on all those important points will be *absolutely essential* in 1939 for every life insurance salesman.

Gives More on “Incomes”, “Values”, etc.

(Ready in March)

Nothing excels the Little Gem for pocket use, in filling this vital need. By actual count, the Little Gem gives very considerably more on Settlement Options, on Values—including at the Retirement Ages 55, 60, and 65, on Retirement Contracts, on “Accumulations,” etc., etc. than any other small reference book. And the new 1939 Little Gem will give still more on all these important points than previous issues.

Makes “Programming” Simpler

In addition to its ordinary statistical uses, the Little Gem is particularly helpful in arousing “cold” prospects, selling people who “have enough” and in saving your own figuring time when doing programming work. Most of the “essentials” of programming are already “figured out” for you in the Little Gem, for immediate use. All these “business-building” uses are carefully explained in the book itself. Be sure you get one!

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Special “Club Prices” to All Agents

Rush, as soon as ready, at my “club rate,” . . . cop. . .
New Up-to-date 1939 “LITTLE GEM.”

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PREPAREDNESS IS GOOD INSURANCE

A single sale from a question answered by the Little Gem pays for it for years. You may need the answer tomorrow! Can you afford to miss any sale?

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Get ALL the Business Your Efforts Deserve!

Equitable Agency Items

SOME NOTES, FROM OUR WEEKLY PUBLICATION, THAT MAY INTEREST YOU



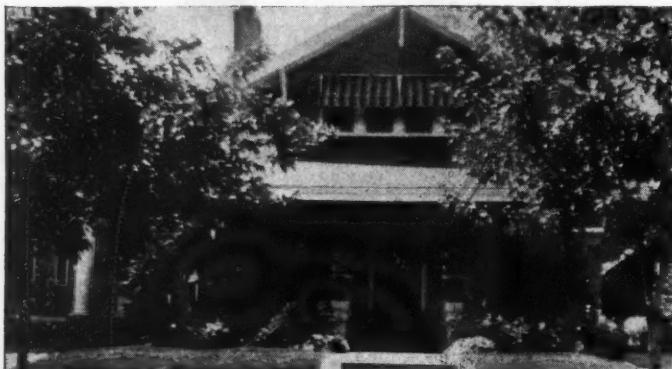
A Brilliant Record

In all life insurance circles, one of the most outstanding records in uninterrupted weekly production has been made by a representative of the Equitable at Grand Island, Nebraska — our own George Cowton. For nineteen years, George has turned in at least one application every week. In one day he established a record of 122 applications!



APPLAUSE FOR WOMEN

Associated with the Equitable as agents there are at present more than 1,000 women. The insurance they placed last year aggregated many millions. Their achievements are perhaps best illustrated by the 168 Club membership qualifications for 1937, each representing at least \$100,000 of insurance written during the year. Fifteen qualified for the Quarter-Million Club; six for the \$350,000 Corps; two wrote Half a Million or more. The total paid production of these 168 women Club members for the year was \$27,621,927.



A HOUSE THAT COMMISSIONS BUILT

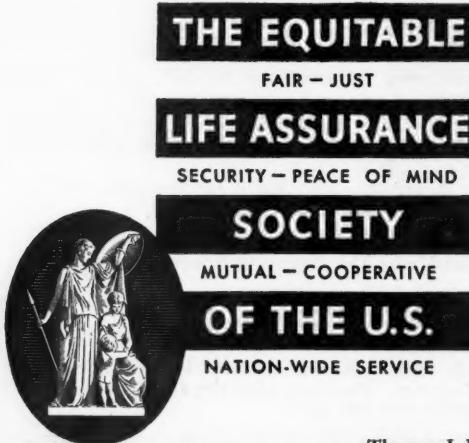
John B. Thieman, Woodward Agency, Cincinnati, describes his delightful home as "a direct product of my efforts in representing the great Equitable for a quarter of a century, so that during my declining years, my wife and I might have a roof over our heads."

Now that he is in his eightieth year, Mr. Thieman is enjoying the full reward of his twenty-five years' work with the Society, of which he is very proud. He is still an active producer.

When Frank X. Shields recently got back into life insurance harness (with the Ott Agency, New York) after two years of star tennis-playing and movie-making, his first client was Michael Bartlett.

His approach to this popular singer of radio and screen, who recently starred in "The Three Waltzes," was based on pointing out new values in old possessions — and both agent and prospect became so enthusiastic about the Equitable policy the latter already had, that they increased it considerably.

"I never appreciated my life insurance so much as now," says Mr. Bartlett, "since my good friend, Frank Shields, pointed out the additional values to be found therein. I know of nothing with the same degree of security that can take its place."



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